

MARCH 1, 1938



TWENTY CENTS

# Sales Management

- ★ **How Paraffine Companies Test and Check Products, Policies and Sales Plans**
- ★ **Survey in Six States Shows Price Maintenance Still Favored by Retail Druggists**
- ★ **Shall We Concentrate Advertising in Peak Seasons or Advertise the Year 'Round?**
- ★ **Colfanite's Tactics in Handling Dealers Who "Didn't Want Another Line of Paint"**
- ★ **Marketing Pictographs—Designing to Sell—Advertising Campaigns—Scratch-Pad**

MAGAZINE OF MODERN MARKETING



# You make selling easier *with less friction — by using* **Heinn Loose-Leaf Binders**

What Heinn quick-acting binders are to catalogs, price books, and sales manuals, oil is to moving parts.

To smooth out sales operations, and to speed up selling, Heinn binders are utilized daily by America's leading businesses.

They come to Heinn for equipment that is the last word in quick, effective operation, sparkling presentation in keeping with their business standing, and quality construction to stand the gaff of years of rough handling. They standardize on the loose-leaf principle because it is a form of life insurance for the costly contents, which otherwise are rendered obsolete by a single change.

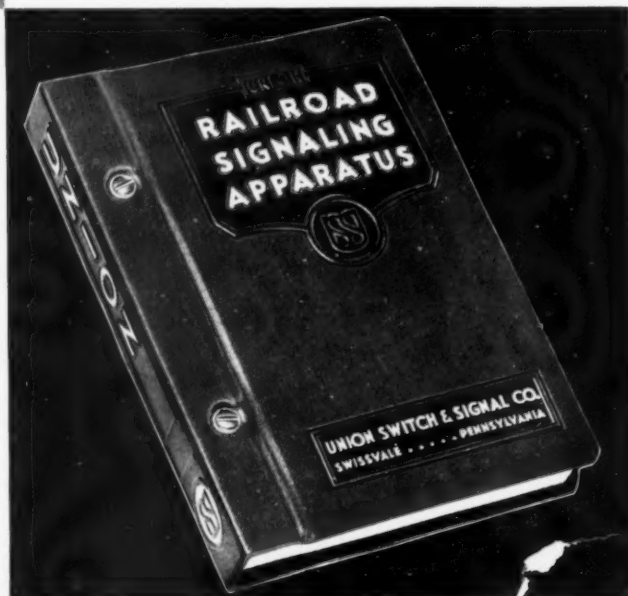
We suggest that you send us a copy of your last catalog with data on quantities for our recommendation so you, too, can get these advantages. Do it today — no obligation.

The Heinn Company, Dept. 368, 326 W. Florida Street  
Milwaukee, Wisconsin

**HEINN**  
MILWAUKEE  **BINDERS**

Originators of the Loose-Leaf System of Cataloging  
*America's leading manufacturers of salesmen's  
loose-leaf equipment*

Branch Offices: Chicago — Cleveland — Detroit —  
Indianapolis — Los Angeles — Minneapolis — New  
York — Pittsburgh — Rochester — Seattle — St. Louis.













# TESTIMONEY

We at THIS WEEK feel that the best testimonial any advertiser can write is the one headlined "Pay To The Order Of—." One of America's "top ten" advertisers has been sending us these, regularly, since our very first year. And since the checks have been growing bigger each year, we think that's worth talking about:

**1935** This company tried a \$13,000 "test" in the new-born THIS WEEK—making us 20th on their list of 31 magazines.

**1936** They jumped that to \$109,250—making THIS WEEK 8th out of 29 magazines.

**1937** They increased that to \$113,272—more than they spent in any other general magazine.

**1938** In the first 2 months, they've spent \$51,823 in THIS WEEK—35.3% more than in the same 1937 period.

Evidently THIS WEEK is selling goods for this advertiser. Their advertising department can probably tell you why. Their sales department can, too. So can their district managers, their jobbers, their dealers, their public. Each group may have its own slant on the subject, but put them all together and it comes down to this:—

---

**THIS WEEK** *sells BOTH sides of the counter*

---





### "Dick Tracy's" Reward

Many a cereal company has a kids' radio program, in which the kids get together to track down sleuths, save lives and otherwise improve themselves and their communities—and in which the kids get a variety of badges, buttons, belts and what-not therefor, on submission of proofs of ability, plus box-tops.

For Puffed Wheat and Puffed Rice, Quaker Oats Co. runs a five-a-week "Dick Tracy" program. Mr. Tracy, as you know, is a mythical but much-publicized detective. And "Dick Tracy's Secret Service Patrol" has its share of young patrollers.

But with so many "Dick Tracys," "Jack Armstrongs," "Bobby Bensons," "Singing Ladies," "Lone Rangers" and others striving for kids' attention, grocers have had trouble knowing which products—and characters—to put out in front. And grocery product manufacturers have had trouble getting put out in front in the stores.

Quaker Oats Co. has tackled the problem with a new four-sided display for its "puffed products." On top of the display the grocer is expected to pile Puffed Wheat and Puffed Rice. On a couple of the four sides are tie-ins with "Dick Tracy" and with Shirley Temple (who promoted Puffed Wheat in newspapers, magazines, subway posters, etc.).

And on one side—of special interest and value to the grocer—the company announces that the sponsor of "Dick Tracy" will give \$100 reward for information leading to arrest and conviction of any person who may hold up, rob or burglarize that store—provided this display is given a *fairly prominent spot in the store*.

### Indian Day

February 22 may be Washington's Birthday on the calendar, but to 492 Indian Motorcycle Co. dealers it is also "Indian Day." The Springfield, Mass., concern has been celebrating this event with a powwow, reception to customers and prospects, and promotional tom-tom thumping every year since 1903.

The holiday was selected because it is observed nationally, and most people therefore have the time for a party. Invitation cards, depicting an Indian beating out "Come to our party. Open house celebration for motorcycle enthusiasts" are furnished dealers to be sent to riders and prospects.

Well ahead of time, order blanks for dealers to requisition souvenir belt buckles, key chains, balloons, etc., are in their hands. They are also supplied with a complete price list of all cycle models and accessories, and a copy of *Contact Points*, factory-dealer organ containing much advice on how to put across the party.

Retailers are urged to pay special attention to their stores—to have printed booklets and information available; to have windows and interiors spic and span and hung with banners; and to have a representative stock of all models for display and sale. In this way the company can push store improvement and display without offending touchy retailers. Music, refreshments, and entertainment by home town talent adds to the party's gaiety.

Says *Contact Points*: "In the past those dealers who have really worked hard to put on a bang-up party have sold their floors clean before the end of the day. . . . The first Indian Day order may be hard to get—but just as soon as one 'Sold' tag goes on a machine, people begin to talk more and more. They sell themselves, so that you begin to be an order taker before the day is over. When you can tell a prospect as you stand beside a machine, 'Well, Mr. So-and-so just bought this machine,' that statement awakens an interest in the prospect to imitate Mr. So-and-so by placing his order."

These get-togethers with the public are important, because 68% of all Indian motorcycles are sold for sport or pleasure riding. Only 12% are for police use, and 20% for commercial use. In actual sales and in the acquisition of leads for the future they helped the company make a 25% increase in volume last year compared to '36. And the latter year had been 25% ahead of '35.

Another contributor to Indian's growth is the efficiency and regularity with which dealers and salesmen are kept on their toes. In October of each year, when new models are introduced, company executives start an intensive round of sales conferences. They swing around a circle of Springfield, Cleveland, Chicago, Des Moines, Atlanta, and Fort Worth. Those making the trip include L. F. Hosley, vice-president and general manager; James A. Wright, director of sales; Douglas McGregor, chief engineer.

Salesmen from the locality join with the home office chiefs in all-day sessions that cover every phase of production, advertising and sales. A dinner rounds off the day.

Consumer ads, through W. I. Tracy, N. Y. agency, run all year in *Popular Mechanics*, *Modern Mechanix*, *Popular Science*, *Automotive News*, and police publications. *Indian News*, another house organ, goes to 95,000 riders and dealers throughout the world. Having paved the way long beforehand, dealers are primed to begin sounding the Indian Love Call on February 22.

As a sample of the spread of that love for Indian, and other motorcycles, Mr. Wright, who is also president of the American Motorcycle Association, points out that the AMA last year reported 30,000 competitive motorcycle events—hill climbs, endurance tests, races of varied kinds. More than 4,463,000 spectators watched the 15,000 Associated rider-members compete. Gas bikes as a hobby horse obviously have plenty of riders.

### Uncle Don

Uncle Don of Station WOR, Newark, celebrated his tenth anniversary in November without showing a sign of relaxing his hold on an estimated audience of five to six million children in the metropolitan New York area.

His sponsors for the nightly broadcasts at six p.m. vary with the seasons. Just now they are the Greenwich Savings Bank and the makers of My-T-Fine chocolate pudding, I. V. C. Vitamin Pearls and Wesson Oil. With the coming of warm weather he'll stop plugging I. V. C. Pearls and take on Borden's ice cream. Every Sunday at 12:30 he reads the funnies (*New York Journal-American*) to his followers. He has never lacked sponsors since he started and has had more than 100 in all, some having stayed with him for stretches of several years.

The Greenwich Savings Bank, longest on his current list of sponsors, has received 200,000 requests for the "Uncle Don bank" in the seven years he's boosted thrift for them. Though the program is considered local in scope, the bank reports inquiries from as far away as Nova Scotia and Florida.

Much of Uncle Don's success with children lies in his intimate manner. He has the gift of making each listener feel that he is talking especially to him. In good weather he arrives at the studio supposedly by airplane; he creates the necessary sound effect with a newspaper and an electric fan. In bad weather he arrives in his car, which he calls his "puddle-jumper," to the delight of his youthful audience. The broadcast is conducted like a club meeting. After singing a theme song of his own composition, "Hello,

SALES MANAGEMENT, published semi-monthly, on the first and fifteenth, except in April and October, when it is published three times a month and dated the first, tenth and twentieth; copyright March 1, 1938, by Sales Management, Inc., 420 Lexington Avenue, New York, N. Y. Subscription price \$4.00 a year in advance. Entered as second-class matter June 1, 1928, at the Post Office, N. Y., under the act of March 3, 1879. March 1, 1938. Volume XLII. No. 5

# Here

## is where you're going to get the Money

**Y**OU'VE heard that icy query — right on the nose of your roseate plan plunks the treasurer's hardpan question ... "Fine, gentlemen, but where are we going to get the money?"

We'll tell you where — right from the public waiting to be served!

Right from the richest market in the world — the readers of The American Weekly. Concentrate on them — they spend more than \$8,000,000,000 (that's *billions!*) a year in retail buying alone. Give them something they need or want at a fair price and they'll give you a volume of sales you never achieved before.

No wonder The American Weekly has become the *new* kingpin of magazines — the advertiser's go-getter. It has the largest circulation in the world — big enough to carry the selling load in modern markets. It has the editorial vitality and know-how that draw the biggest single group of readers on earth.

No other one magazine ... or a comparable group ... can move merchandise in the mass — and to the masses who swing the balance of buying power today — with such economy and speed.

The money's there, as many of America's oldest — and wisest — advertisers will tell you. Come and get it!

# THE AMERICAN WEEKLY

*Greatest  
Circulation  
in the World*

"The National Magazine with Local Influence"

Main Office: 959 Eighth Avenue, New York City

#### Branch Offices

PALMOLIVE BLDG., CHICAGO . . .	5 WINTHROP SQUARE, BOSTON
HANNA BLDG., CLEVELAND . . .	EDISON BLDG., LOS ANGELES
HEARST BLDG., SAN FRANCISCO . . .	ARCADE BLDG., ST. LOUIS
GENERAL MOTORS BLDG., DETROIT . . .	101 MARIETTA ST., ATLANTA

WIDE-AWAKE  
SALES MANAGERS  
HAVE LEARNED THAT  
"GOODS MOVE OUT  
WHEN THE WEEKLY  
MOVES IN!"

MARCH 1, 1938

[ 3 ]



# HOUSTON



## No. 3 Marketing HOT SPOT in America

With the nation slumping at 33 per cent **below** normal, Houston stands firm at 4 per cent **above** normal on the business chart as of January 31st, and for the second consecutive month ranks third best in America among the 147 leading trading areas surveyed by Brooke, Smith & French, Inc.

Recent figures from the Federal Reserve Bank of Dallas show Houston led all major Texas cities in gain in total department store sales for 1937 over 1936. Houston's increase was 13 per cent.

Houston likewise led all principal Texas cities in gain in total sales of all types of independent stores for 1937 over 1936, according to figures from the University of Texas. Houston's increase was 9.4 per cent.

Indeed, Houston is one of America's "**hottest**" marketing "hot spots," and will richly reward your selling efforts . . . especially when supported with advertisements in Houston's leading newspaper . . .

## THE HOUSTON CHRONICLE

LEADS THE STATE IN NATIONAL ADVERTISING  
FIRST IN HOUSTON—IN EVERYTHING

R. W. McCARTHY  
Manager National Advertising

THE BRANHAM COMPANY  
National Representatives

Nieces, Nephews Mine, etc." he opens the meeting formally with "three raps of the gavel," and there's a "report" by the announcer, of the Ways and Means Committee. This "report" is a recital of the virtues of the products of the sponsors.

Uncle Don says he receives from 500 to 1,000 letters daily, most of them from mothers who want him to mention the birthdays of their children. He has time to mention only a few, usually according to a formula something like this: "Johnny Ferrara's eight years old today. There's a present for you back of the radio, Johnny. And oh, yes, you mustn't tease your little sister. You're a *big* boy now, Johnny, and big boys don't tease." Thanks to Uncle Don's excellent filing system, there will probably be another reference next year to Johnny's ninth birthday, with some such jovial reminiscence as "Remember when you used to tease your little sister (or whine, or refuse to eat spinach, as the case may be)? But, of course, you got over *that*, didn't you, Johnny?"

Uncle Don's a whizz when it comes to thinking up plans to get children to send in box tops and other evidence of their patronage of his sponsors. At the moment, for example, if a club-member sends in the spout of a Wesson Oil can, he gets a Vegespear, a combination spoon and fork highly recommended as a tool for eating vegetables.

The sponsors' products are at hand during broadcasts, and Uncle Don makes a great point of drinking milk, eating Mel-O-rols or other foods he's currently boosting, and passing them to guests present. For special events at which many guests are present, non-advertisers vie with each other in donating refreshments. Uncle Don gets this same type of cooperation when he makes personal appearances at motion picture theatres, where his services are in great demand. There is no connection between the broadcasts and his personal appearances, the latter being sponsored only by the theatres; nevertheless he often slips in mention of his radio sponsors' products—the children expect it, he says.

Along with the songs, stories, birthday greetings that make up the average nightly broadcast, there's usually a contest or two, or a build-up for some special event. The Uncle Don Junior Reporters' and Press Club is currently a big attraction. Members are those youngsters who write Uncle Don about their own amateur publications. Uncle Don sends Junior Press Cards to members, who, in turn, send him news items to be used on Saturdays, Uncle Don's "News Nite." To date, about 1,000 amateur newspapers have been sent in, some typewritten, some mimeographed, and some printed.

Uncle Don recently held a "press convention," at which there was a good attendance of youthful publishers, all of whom received Borden's ice cream, Child's (restaurant) sandwiches and Nedick orange drink; and some of whom were given the opportunity to talk on Uncle Don's radio program. A boy from Wilkes-Barre not only represented his own publication, but received \$5 for covering the convention for the local newspaper. There was no profit in the venture, though, for, as his father confided to Uncle Don, their joint expenses for the trip amounted to \$20.

### Power of the Press

DuPont recently started a test campaign in newspapers of Hartford only. The theme was "Buy No Anti-Freeze . . . until you read these facts about DuPont Zerone." There followed, in fairly small type, six paragraphs of facts.

Then, in the same type, a seventh paragraph offered a "free automatic pencil" to any Hartfordian or Hartfordite (but only one to a family) who wrote to a certain duPont department at Wilmington, sending only his name and address.

Mike Hughes wrote a six-line paragraph about the test and offer, in fairly small type, in his column of "Advertising News" in the New York Sun.

The duPont people didn't mind the story so much. But when 100 New Yorkers had written for pencils, they got kind of peeved. They expect that at least 200 New Yorkers will ask for them. And they did not want New Yorkers at all.

They refused to divulge whether the New York editorial paragraph had brought more response than the Hartford advertising paragraph, but seemed to indicate that the race was close.

SALES MANAGEMENT

# WE HAVEN'T MANY VAN ASTORBITLS!



The Indianapolis Radius wouldn't be a very good place to sell yachts. We haven't so many rich folks—but not so many poor people either. That means that unless you're in the yacht business, just about everybody in this market is in the market for what you have to offer. Buying power is evenly distributed, more stable. Show these folks your merchandise, and they'll show you how to make sales curves rise. Show them through The News because more central Indiana families are reading it than have ever before read any daily Indiana newspaper.

## THE INDIANAPOLIS NEWS

New York: Dan A. Carroll, 110 E. 42d St. Chicago: J. E. Lutz, 435 N. Michigan Ave.

# Sales Management

VOL. XLII. NO. 5

MARCH 1, 1938

## CONTENTS

Advertising	
Concentrate in Peak Seasons or Advertise the Year Around?.....	48
By M. S. Sullivan	
Imagination vs. Statistics in the Sale of Advertising Space.....	50
By Agent K-79	
Fair Trade, Etc.	
Survey Shows Price Maintenance Still Favored by Retail Druggists.....	28
Analysis by Philip Salisbury, Executive Editor, SALES MANAGEMENT	
General	
Marketing Pictographs, beginning on.....	37
Significant Trends.....	17
Product Design	
Designing to Sell.....	60
Research	
How We Test and Check Products, Policies and Marketing Plans.....	20
By H. D. Lucas, The Paraffine Companies, Inc., San Francisco	
Sales Campaigns	
Candy Company Capitalizes Charm of New Orleans—and Doubles Sales.....	56
By R. G. Drown, Jr.	
How Colfanite Sold Dealers Who "Didn't Want Another Line of Paint".....	23
By Maudus E. Bridston	
Sales Jump When Amity Induces Price-Minded Dealers to Trade Up.....	26
By R. C. Freitag, Advertising Manager, Amity Leather Products Co., West Bend, Wis.	
Stimulating Salesmen	
Back Seat Driving Solves Problem of Price Competition.....	67
Sinclair Sales Rise When Advertising "Pull" Is Supported by Dealer "Push".....	52
Departments and Services	
Advertising Campaigns.....	25
Comment.....	80
Letters.....	68
Marketing Flashes.....	64
Media and Agencies.....	70
New Volumes for the Business Book Shelf.....	74
Organization News.....	59
SALES MANAGEMENT's Future Sales Ratings.....	14
The Human Side.....	2
The Scratch-Pad.....	34
Tips.....	78

### Notes from the Managing Editor's Desk

The first of an important new series of surveys begins in this issue. SM commissioned Ross Federal Research Corp. to take the pulse of retail druggists in six states where price maintenance has been in force a relatively long period. We wanted to find out if some of the rumors about the retail attitude toward the fair trade laws had any factual foundation. The report of what the investigators found begins on page 28.

\* \* \*

Our old friend W. C. Dorr, who wrote those brass tacks articles on merchandising for us last year was in to see us this week. When he got out he carried with him a commission to write a bunch of short, meaty pieces on various sharp angles of sale tactics. They'll be especially useful to companies that sell through retail channels.

\* \* \*

And for you who sell industrial products, we've just scheduled a good article on a successful sales control plan worked out by Victor Equipment Co., a West Coast concern that manufactures and sells a wide variety of pumps, pump primers, metal welding and cutting equipment.

A. R. HAHN.



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1. E. G. Jeffrey  
Livestock  
Canadian County



2. Roy Boecher  
Wheat  
Kingfisher County



3. Henry Breckenridge  
Sheep & Wheat  
Garfield County



4. Lawrence Lloyd  
Wheat  
Grant County



5. Lyle Hague  
Dairy & Wheat  
Allahe County



6. Earnest Meyer  
Livestock & Wheat  
Woods County



7. Bill Speis  
Dairy & Wheat  
Dewey County



8. B. M. Hager  
Diversified Farm  
Washita County



9. Hubert Howl  
Wheat & Poultry  
Kiowa County

## "We Spent \$28,000 on Improvements in 1937" —say these 9 Farmer-Stockman Readers

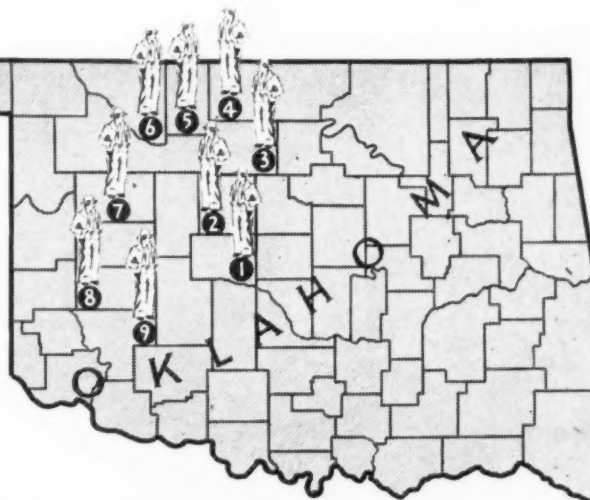
● Babson, Brookmire, Poor, Standard Statistics and other leading economic authorities pointed to the Oklahoma-Texas area on January first and said, "There is your bright sales-spot for the next six months."

Jeffrey, Boecher, Breckenridge, Lloyd and thousands of other progressive farmers in this section furnish the reason. These nine farmers invested more than \$28,000 in 1937 in farm and farm home improvements. They bought new automobiles, trucks, tractors, cream separators, gas plants, light plants, water systems, remodeled their homes and installed modern bathrooms and

kitchens for their wives. They took vacation trips to Alaska, Cuba and California. Their spending is typical of the farm buying power of the Oklahoma-Texas area where farm income was up \$75,000,000 in 1937 from the 1936 figure and where a 40% increase has been predicted for the first six months of 1938 over the corresponding period of 1937.

This is the market available to advertisers in The Farmer-Stockman. With more than 230,000 total circulation The Farmer-Stockman is the only farm paper furnishing more than 200,000 subscribers in the Oklahoma-Texas area.

● Personal Interviews with nine farmers in nine western and northwestern Oklahoma counties furnished the material for this study.



## The Farmer-Stockman

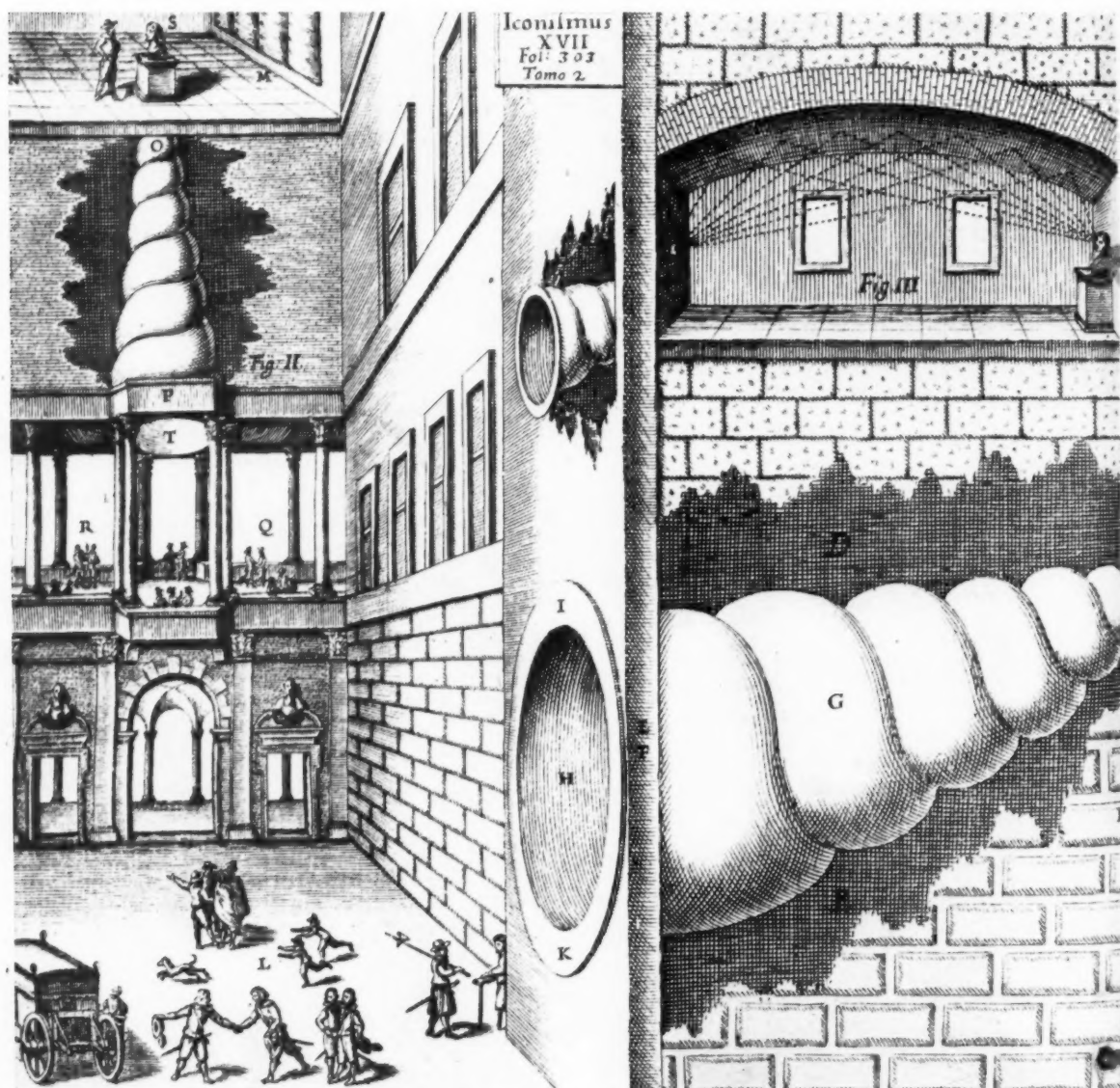
OKLAHOMA CITY, OKLA.

THE OKLAHOMA PUBLISHING COMPANY  
THE DAILY OKLAHOMAN — OKLAHOMA CITY TIMES — RADIO WKY

National Representative — The Katz Agency

## We're not so young

A notable Jesuit priest and scholar, by the name of Athanasius Kircher, invented this broadcasting system in the 17th Century—so that the intrigued listener in breeches at (E) could hear everything said in the central court (L). The rest of the family could listen, too, with individual “loud-speakers” in each room. ¶ But that was only three centuries ago. Long before that—long before Athanasius Kircher struggled with giant trumpets—the point and purpose and power of broadcasting had taken form. *In the living voice.* Before history first was scratched



BROADCASTING SYSTEM OF THE 17TH CENTURY—from the Bettman Archives

on stone, the voice had grooved an effortless, instant path into the mind. That path is re-grooved in every child today—long before he seeks any other communication with the world. And it grows with the adult. ¶ We did not need radio to discover this. Here is what Pliny the Younger said, over eighteen hundred years ago: *"We are more affected by words we hear, for though what we read in books may be more pointed, there is something about the voice that makes a deeper impression on the mind."* ¶ The truth of Pliny's shrewd observation has been

amply confirmed in many laboratories of modern science. If you care to weigh the evidence for yourself, we will send you a copy of EXACT MEASUREMENTS OF THE SPOKEN WORD. It is a little book. But it summarizes the work of more than a score of psychologists who, for 34 years, have made comparative studies of the spoken and written word; and who have carefully measured the *impact* made by words, spoken and written. ¶ Their conclusions—which Pliny already knew—are a basic explanation of the response which so many millions of listeners make to radio, today.

BROADCASTING SYSTEM IN THE 17TH CENTURY. Athanasius Kircher (1601-1680) designed his "loud-speakers," such as at E and S, in the shape of ornately sculptured heads "with open mouths." This dramatic device helped make the entire idea very mysterious to 17th Century listeners. The principles of sound transmission and amplification did the rest!

## The COLUMBIA Broadcasting System

485 MADISON AVENUE • NEW YORK CITY



# NO THIRD



# LEG... NO *BALANCE!*

**I**F you get your full share of sales this year, more than one-third of them will come from the agricultural market.

For this one market today accounts for 40% of *all* retail buying—and an even higher percentage of total profits.

Advertising plans that concentrate all their pressure on other markets—and fail to skim the rich cream from this enormous one—invite diminishing returns for the dollars invested.

But advertising in Country Gentleman can be counted on to bring you rich returns. For this advertising

blankets the top purchasing power of the vast agricultural market—reaches 1,750,000 of agriculture's leading families with an influence and an impact that no other magazine can approach.

To its readers Country Gentleman is more than entertainment. Its concern is their livelihood, not just their leisure. Its contents are absorbing to them, not just inviting. It is an institution among them, not just an incident.

To advertisers, it is a major source of sales and profits—in a market that cannot be reached so economically or so effectively by any other means.



## COUNTRY GENTLEMAN

NATIONAL SPOKESMAN FOR AGRICULTURE

PHILADELPHIA, PA.

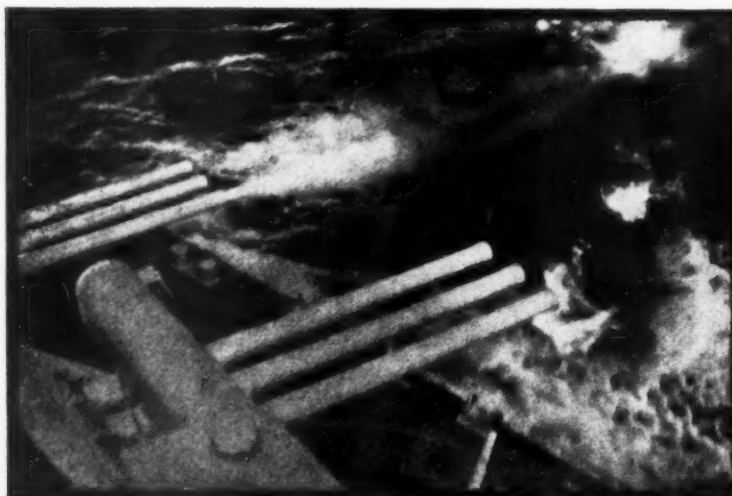
## IS THE U. S. NAVY READY FOR THE NEXT WAR? A comparison of naval bases, ships & strategy

- Look at the two-page color map (p. 60-61) in FORTUNE this month and you'll see why the cry in Congress is "Big Navy". You'll find data on ships, locations, cruising ranges, and bases, which point dramatically to that spot in the Pacific where a future Jutland may take place. How U.S., Japan and Great Britain compare in strength in all six types of ships, the new strategy of naval engagements, what our Admirals are like, and what you would see today if you were aboard a ship when the actual firing begins, is told in BIG NAVY, beginning on page 55 of FORTUNE for March.



### Imagine a coal company making money!

- Only once in twenty-three years has Island Creek failed to make \$1,000,000. But the Guffey Act has it worried. What makes bookkeeping figures red in the coal industry, and black at Island Creek, is revealed in COAL AT A PROFIT, page 37.



### What it's like to be a Navy Officer (& Gentleman)

- Is life at Annapolis as glamorous as the movies tell you? What's the reason for the non-marrying rule? And when Navy officers do marry, what sort of lives do their wives lead? You'll find how the Navy looks when you're on the inside, from the day of your Annapolis exams, to the day years later when the "Selected Up" list comes from Washington, handing you the three stars of a Vice-Admiral . . . See YOU'LL NEVER GET RICH, page 66.

### Can business un-merge at a profit?

Why not break Big Business into small businesses? And make money in the bargain? The Editors of FORTUNE look into such a possibility and suggest why in some businesses the whole may be smaller than the sum of its parts. Page 69.

### What do they mean: MONOPOLY?

You may *think* your company isn't a monopoly, but if you can't point to flexible prices in your industry, look out for the New Deal antimonopoly campaign. See page 75.

### Jackson the giant killer

Meet Bob Jackson on page 78, the most misunderstood man in Washington, the man with a running start on the White House . . . who would rather be back on his farm.

### Thumbnail sketches of 15 business men

15 brief biographies of men you have heard about. Showing what a strong man can do with a business in these exciting times. Turn to page 71.

# Fortune





## How good a house can a \$50-a-week family buy?

• Is it possible to create homes with everything from insulation and oil heat to brass piping and glass-enclosed showers, yet priced for the man of a modest salary? Apparently yes, for here is the story of a Long Island speculative building firm with a record of 5,500 successful houses. How they ran a \$200 investment into a \$6,000,000 annual business, by "straight line" production methods, is told in 5,500 HOUSES on page 100.

## "Sorry but your cook is quitting tonight"

• Why are servants perpetually stamping out the door — or getting themselves fired? What's their grievance? Low wages? Long hours? Or what?

Because servant business is *big* business, with 2,000,000 workers and over a billion dollar payroll, FORTUNE wrote 17,000 homes, and this month brings you reasons you might not suspect for this employer-employee feud. To find what housewives think of their help, and what servants complain of in mistresses, turn to THE SERVANT PROBLEM, page 31.



## Corset manufacturing is peculiar business

• With three out of five women in the U. S. craving control of busts and bulges with such intoxicatingly named thingamajigs as Thrill, Wiff and Pouff, and Lov-é, the corset business should be happily independent of mere depressions. It is. FORTUNE traces corset history, tells why the corset counter is a department store's single most profitable spot, and how it got that way . . . Page 95, THE CORSET.

for **March**

**TARZAN** (Ow-oo-oo) is making money fifty different ways for his author-papa Mr. Burroughs. Note the report in OFF THE RECORD where you will also discover who buys leeches these days, and how to print paper money and get arrested.

**ARCH PROPHET** of Swing, two ex-prize fight champs, the new Supreme Court Justice, and others are pictured in FACES OF THE MONTH.

**NEXT ISSUE** Oskaloosa, Iowa . . . Alfred P. Sloan, Jr. . . . Planters Peanuts . . . Carrier Air Conditioning . . . A & P . . . Fortune Quarterly Survey: XII.

# Sales Management's Future Sales Ratings

## KEY TO RELATIVE SALES OUTLOOK RATING

- ★★★★★ Best relative outlook
- ★★★★ Very good relative outlook
- ★★★ Good (medium) relative outlook
- ★★ Fair relative outlook
- ★ Least impressive relative outlook

NOTE: This compilation is based on the relative position of one industry compared with all industries. In other words, an industry marked ★★ may show noteworthy resistance to general sales declines, but its comparative showing may be far less favorable than that of another industry marked ★★★★★.

	Sales Prospect for Mar., Apr. & May	Sales Prospect for Next 12 Months		Sales Prospect for Mar., Apr. & May	Sales Prospect for Next 12 Months
Advertising.....	★★	★★★★	Lawyers' Income.....	★★★	★★
Air Conditioning.....	★★★★	★★★★★	Liquor (Alcoholic Beverages).....	★★★	★★
Aircraft (Sales of Air- planes).....	★★★★★	★★★★★	Luggage.....	★	★★★★
Aircraft (Passenger Travel).....	★★★	★★★★	Machine Tools.....	★★	★★★★★
Autos (New Car Sales)...	★★	★★★	Machinery (Agr'l).....	★★★★★	★★★
Auto Tires.....	★★★	★★★	Machinery (Ind'l).....	★★	★★★★★
Baked Goods (Bread)...	★★★★★	★	Meats.....	★★★	★★
Baked Goods (Specialty)	★★	★★★	Metal Containers.....	★★★	★★
Banks (Revenues).....	★★★	★★★	Motion Picture Receipts.....	★★★	★★★★★
Beer.....	★★	★★	Musical Instruments...	★	★★★★★
Building Materials.....	★★	★★★★★	Office Equipment.....	★	★★★★
Candy & Chewing Gum...	★★★★	★	Oil (Cooking).....	★★★★	★
Canned Fruits and Vegetables.....	★★★★★	★★★	Paint.....	★★	★★★★★
Cereals.....	★★★★	★	Paper (Newsprint).....	★★	★★★
Chemicals (Misc.).....	★★	★★★★	Paper (Wrapping and Container).....	★★★	★★★
Cigarettes.....	★★★★★	★★	Photographic Supplies..	★	★★★★★
Cigars.....	★★★	★	Physicians' and Dentists' Income...	★★	★★
Clothing (Men's, Women's, Children's)	★★	★★★	Plastics.....	★★★★★	★★★★★
Coal (Anthracite).....	★★★★★	★★	Printing and Publishing Equipment.....	★★	★★★★
Coal (Bituminous).....	★	★★★★★	Radios.....	★★	★★
Cosmetics.....	★★★	★★	Railroad Equipment...	★	★★★★
Cotton Textiles.....	★★★★	★	Railroad (Net Income)...	★	★★★★
Dairy Products.....	★★★★★	★	Rayon Textiles.....	★★★★★	★★★
Department Stores.....	★★★	★★★	Real Estate Rentals...	★	★★★
Diesel Engines.....	★★★★	★★★★★	Refrigerators.....	★★	★★
Drugs and Medicines...	★★★	★	Restaurants.....	★★★	★★
Electrical Equipment (Heavy).....	★★	★★★★	Rural Stores.....	★★★★★	★★★
Electrical Equipment (Light).....	★★★	★★★	Shipbuilding.....	★★★★★	★★★★★
Exports.....	★★★★★	★★★★★	Shoes.....	★★★	★★
Flour.....	★★★★	★	Silk Textiles.....	★	★★
Furs.....	★	★★★★★	Soap.....	★★★★	★
Gasoline and Oil.....	★★★★★	★★★★	Soft Drinks.....	★★★	★★★★
Glass and Materials...	★★	★★	Sporting Goods.....	★★★★	★★★★
Groceries.....	★★★★★	★	Stationery (Commer'l)...	★★★	★★★
Hardware.....	★★	★★★★★	Steel and Iron.....	★	★★★★
Hotels.....	★★★	★★★	Sugar.....	★★★★	★
HouseFurnishings(Floor Coverings, Furniture, Beds, etc.).....	★★	★★★★★	Toothpaste and Mouth Washes.....	★★★★	★
Household Products (Kitchenware, and Miscellaneous).....	★★★★	★★★	Toys and Games.....	★★★★	★★★
Imports.....	★★★★	★★★★	Trailers (Autos).....	★	★
Insurance (Misc.).....	★★	★★	Travel (Sea).....	★	★★★★★
Jewelry.....	★	★★★★★	Trucks.....	★	★★★★
Laundry.....	★★★	★★★	Utilities—Electric.....	★★★★★	★★★
			Utilities—Gas.....	★★★★	★
			Utilities—Telegraph...	★★	★
			Utilities—Telephone...	★★	★★★★
			Washing Machines...	★	★★★★

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## Politically Stimulated Recovery Basis for Advance Planning

Out of the current confusion of facts, forecasts and theories which run the range from agreement to diametrical opposition, one outstanding consideration stands out clearly. This is the fact that the present Federal Administration is as political-minded (or more so) as any which has held sway in Washington and that so efficient a political organization realizes most thoroughly the importance of a sharp business improvement by the November elections.

The first tangible shot in the salvo against depression comes in the form of the \$250,000,000 relief deficiency appropriation. A complete reversal on the old policy of gold sterilization and managed deflation, a change of heart on desirability of low prices, renewal of R. F. C. lending with avowed resources of \$1,500,000,000, a new crop control bill intended to advance prices, even a New Deal promoted proposal to modify the N.L.R.B. are some of the recent developments which reflect the politico-economic thinking of the Administration's advisers.

Looking back to the high-wage, low-price, monopoly-busting, business animosity period of only a few weeks ago, it appears that it actually might have been "planned that way," with scare psychology being used to push business levels down, in line with the elementary economic principle that the faster the recession the sounder the base for recovery. The drive for sharp business revival by election time is now well started, with the President eyeing as further recession-killers the excess of \$1,000,000 in unspent gold "profit," a huge silver revaluation "profit," additional dewatering of gold which would free over \$1,000,000,000, the bolstering of bank excess reserves by Federal Reserve Board action, the speeding up of the armament, merchant marine and home building programs and new large public works projects.

*It is the belief of this column that the price inflation and spending drives (under a powerful political stimulus) of the Administration will succeed in producing a considerable basic recovery by the November elections, and that business men should plan ahead on this likelihood.* The above expectations and beliefs are reflected in the adjoining ratings on 89 industries, checked by over 50 experts.

SALES MANAGEMENT

*know the wind . . .*

# BEFORE

*you set out!*

ONE hundred and fifty years ago, simple tests on the Providence waterfront were commonsense precautions that preceded embarkation on far flung commercial ventures.

By many national advertisers, testing in Providence is regular procedure today.

Men responsible for far flung sales ventures want to know how the wind is blowing before they set out. In Providence such knowledge is relatively simple to obtain . . . informative, once the test is completed.

Informative . . . because Providence is a long established market, stabilized by

diverse industries. Seven out of eight people have savings accounts for the rainy day. Hence, fair winds or foul . . . what you learn here can be used as a "norm" for urban America—neither unduly inflated nor depressed by shifting fortunes.

Simple . . . because the market's size, its compactness and independence make for easy handling of a representative test. And because both dealer and consumer read and respond to one medium.

In Providence, it's the Evening Bulletin. In the state as a whole, it's the Journal-Bulletin combination reaching 3 out of 4 Rhode Island families.



## Providence Journal-Bulletin

*Dominating New England's Second Largest Market*

REPRESENTATIVES

Chas. H. Eddy Co., Inc., New York, Chicago, Boston, Atlanta • R. J. Bidwell Co., San Francisco, Los Angeles



# **\$2,295,587,000 FARM INCOME FOR PROGRESSIVE FARMER TERRITORY IN 1937 REPRESENTS:**

- More Cash Farm Income for Southern Farmers Than in Any Year Since 1929.
- 28% of the Nation's 1937 Cash Farm Income of \$8,184,531,000. (Total 48 States)
- 42.4% of the Nation's Gain of \$558,631,000 in Cash Farm Income 1937 over 1936.

Source of farm income figures: U.S.D.A. Cash Farm Income Report, February 9, 1938.

"Go South" for Rural Sales—and use Progressive Farmer. With its dominant coverage and influence Progressive Farmer provides an unequalled medium for reaching this 2¼ Billion Dollar Market.



# Significant Trends

As seen by the Editors of SALES MANAGEMENT for the fortnight ending March 1, 1938:

## Why Confidence Is Improving

News from business and Washington fronts was confusing during the fortnight, but cer-

tain developments seem definitely encouraging.

1. Retail business has held up remarkably well—which means that inventories have been greatly reduced and shelves are open to new merchandise.
2. Forward buying has started up briskly in some lines. On February 17 sales of hides on the New York Commodity Exchange hit an all-time high.
3. The downward spiral of industrial operations seems to have leveled out, and symptoms of an upward tendency have been found.
4. The President has committed himself strongly against inflation, against sensational monetary tinkering, but—
5. An extra appropriation of \$250,000,000 for relief will add purchasing power.
6. Plans for a continuance of an "easy money" policy were indicated by the virtual suspension of further sterilization of gold acquisitions, and
7. The reopening of the books of the Reconstruction Finance Corp. for loans to "deserving borrowers," and the clear intimation that plans will be worked out to—
8. Provide "small business" with long-term capital, which it sorely needs, because loans of this type are not available from commercial banks, and the investing public shows a preference for securities listed on the exchanges.
9. By signing the farm bill, machinery has been set in motion which is intended to raise the purchasing power of farmers.
10. The President allowed his office to be the "sounding board" of a recommendation by a subcommittee of the Business Advisory Council for a modified national labor relations act, one which would be less biased in favor of labor.

## Taking It Sitting Down

As is true of all recessions and depressions, the heads of companies with poor sales and profit records can find ready-made alibis for lack of satisfactory

sales and profits. It is not unusual for company heads to explain away the lack of results in the *past* by talking about "general conditions," but it is somewhat unusual to use them as an alibi for the *future*.

● ● ● E. B. Carson, president of the Conlon Corp., Chicago, in his annual report to stockholders, dated February 5, 1938, says: "You no doubt have noticed, according to newspaper and business reports, a great many economists are of the opinion that there will be no upturn or great improvement in conditions until late Summer or Fall of this year, and if this proves to be a fact we will in all probability operate at a loss."

MARCH 1, 1938

● ● ● "The management is doing everything possible to hold the plant, equipment and organization in condition and ready to take advantage of business as soon as improvement occurs, but, of course, *we have no more control over general business conditions throughout the country than you have, and you must appreciate that we are bound to suffer until the public's purchasing power gets back to a higher level.*" (Italics by SM.)

● ● ● It is perfectly obvious that when general conditions are bad not all companies are going to make a good profit showing, but it is equally true that some companies prosper even during depressions, and it does not seem to be sound business for a company head to express a spirit of defeatism to the employees and owners of his company. During the real depression, and particularly the bad years of 1931 through 1933, many makers of household appliances (the Conlon Corp. is in this field) made new high sales and profits records. Electric refrigerator makers gained in each of these years save one; the cigarette industry continued to grow, and so did electric power, petroleum, cans, and many other industries.

● ● ● Perhaps the real answer in the case of the Conlon Corp. is that it lets the other makers of household appliances lead the promotion parade, and is content to pick up the crumbs which they leave. Crumbs do not make a very satisfactory diet. The Conlon Corp. has not paid a dividend on either its common or preferred stock since 1927.

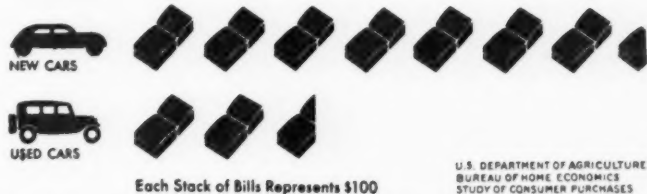
● ● ● "In the last few weeks," says Paul Hoffman, head of Studebaker, "I have talked to hundreds of business men around the country, and *I am convinced that*

## AUTOMOBILE PURCHASES OF U.S. FARM FAMILIES 1935-1936

### CARS PER 1000 FAMILIES



### AVERAGE PRICE PER CAR



U.S. DEPARTMENT OF AGRICULTURE  
BUREAU OF HOME ECONOMICS  
STUDY OF CONSUMER PURCHASES

Most farm families have autos, but they buy on the average almost twice as many used as new cars, according to a survey of 17,000 farm families in 64 counties made by the Bureau of Home Economics. Only in California did farm families purchase more new than used cars. The country over, farmers paid an average of \$263 for used cars and \$739 for new cars.

half of the reduction of business is due to a recess in sales efforts and sales efficiency. You would think that management would redouble its sales efforts as selling gets tough, but apparently the reverse is true. We can't loaf our way out of the recession. We must work our way out.

● ● ● "Business today is presented with a challenge and an opportunity to regain the public confidence by leading the way out of the recession."

● ● ● The automobile industry, according to Mr. Hoffman, has taken up this challenge, and one of its first acts will be the start on March 5 of "the greatest drive for business the country has ever seen." This, he said, would be a campaign to move 800,000 to 1,000,000 used cars from dealers' stocks. He urged that all business follow this example, declaring that "only by doing more business, by selling more and buying more" could the recession be overcome.

## "Timing" the Advertising

Roger Babson agrees with the Studebaker president that advertising should be increased when business gets tough. Writing in the New York Herald

Tribune recently, he offered this observation:

● ● ● "For 30 years, I have studied the business cycle and have tried to discover how the peaks and valleys can be ironed out. I have always been convinced that one of the solutions is by the proper use of advertising. When times are good and business is booming, advertisers like to drive for orders. This is only natural. Actually, however, manufacturers and merchants should hold back in good times and build up an advertising backlog which they can pump out to maintain their sales volume and their employment in periods such as the present.

● ● ● "If all concerns in the same industry would agree to spend a certain percentage of their gross sales on advertising, this policy might be made workable. The trouble is that a few outfits would always back out of the bargain and take advantage of their competitors' programs. Two or three concerns can scarcely afford to carry

the advertising for the industry. So, while the logical policy is to cut down on space when business is coming in under its own momentum and to boost sales budgets in slack periods, in practice the opposite happens.

● ● ● "The government is pouring out money for various purposes to stimulate public purchasing power. Why not consider a policy of allowing business concerns to deduct any increase in their advertising and selling expenses from their tax bills during periods when industrial production is running below normal? Depressions are serious only when retail selling stops. Most of our basic economic troubles today are not connected with production, but rather with distribution and taxation. Speeding up the flow of goods is where we must put the emphasis rather than on speeding up the assembly line. Space advertising can play a tremendous part in this program.

● ● ● "Advertising is to mass distribution what the machine is to mass production. Right now, for instance, it deserves a good share of credit for the comparatively excellent volume of retail trade. 'Sales' cannot move goods unless customers know about them. I think that merchants and manufacturers now realize this more than they did in 1929. Not only should purchasing power be inflated but the will to buy should be encouraged. Advertising is the last item to cut in your sales budget, unless you want to close up shop."

## Where Sales Are High

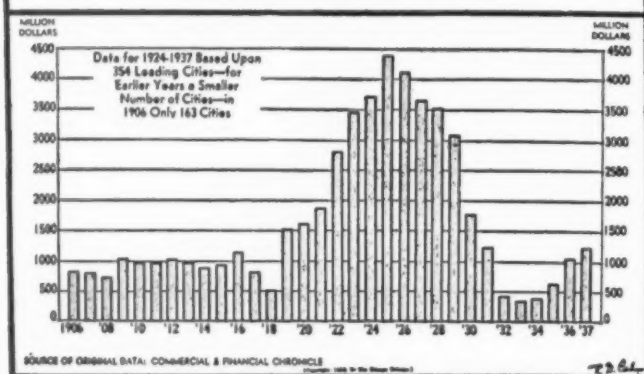
The national business index compiled by Brooke, Smith, French & Dorrance shows the best January gains (with indices improving 1% or more over December) in

these areas: Akron, Fort Wayne, Fort Worth, Louisville, Miami, Minneapolis, Portland, Ore., Sioux City, Wilmington—and these areas are normal or above: Atlanta, Dallas, Houston, Jacksonville, Phoenix, Richmond, Shreveport and Tulsa.

● ● ● Potpourri: Orders for Spring delivery of farm implements exceed the amounts of a year ago. . . . Engineering construction awards for the first six weeks of the year were 28% above the same period last year. . . . Carolina families as a group spent more for their clothes than on their cars, while the residents of four small cities on the Pacific Coast put 13% of their average expenditure into the family automobile against 11% into the family wardrobe, according to current studies by the Bureau of Home Economics of the U. S. Department of Agriculture. . . . The national banks of the country last year had the second largest in net profits in their history. . . . The Federal Board adjusted index of department store sales stood at 90% of the 1923-1925 average for January.

● ● ● While their competitors were planning retrenchment and decreasing stocks for fear of the future, Skillern's, a Dallas pharmacy, recently carried a full-page advertisement in the Dallas Times-Herald under the caption "Who's Afraid of What?" The introduction suggested that calamity howlers probably have given the public the impression that everyone in business is scared to death. The copy went on to state that the chain will continue to expand by modernizing and improving old stores and adding new ones, that it has the largest stocks both in variety and quantity of items since its establishment, that its employees total more than 650 workers, and that they receive the highest pay in the drug field.

Building Permits by Years in Leading American Cities



The modified housing bill which will permit government-guaranteed mortgages up to 90% should bring about the long-awaited building boom. This chart, reproduced through the courtesy of the Chicago Tribune, shows how far below the '20's building has run from 1930 to 1937, inclusive.



# Winners of the Wolf Package Awards

The American Management Association, sponsor of the national package competition, has presented to the Hoover Co., North Canton, Ohio, the Irwin D. Wolf Trophy in the 7th annual competition for the Irwin D. Wolf Awards for distinctive merit in packaging.

Selected from more than 750 packages developed during the calendar year 1937, the Trophy winner, winners in 20 merchandising classifications, those receiving honorable mentions, and all other entries will be displayed at the AMA's 8th Packaging Exposition, to be held in the Palmer House, Chicago, March 22-25.

Objectives of the awards are "to accord recognition to achievement in the field of packaging; to stimulate constructive interest in the practical, mechanical, and technical development of improved packages; to arouse creative interest in manufacturers of packages."

Redesigned: (Right) In the classification of "most effective redesigned package, based on comparison of old package with new" International Printing Ink Corp.'s "Everyday Ink" tube won the award. Old tube is at top, new below. Designer was J. M. Kalkins. His tube also received honorable mention as "the most effective package designed to add to consumer convenience regardless of artistic qualities."



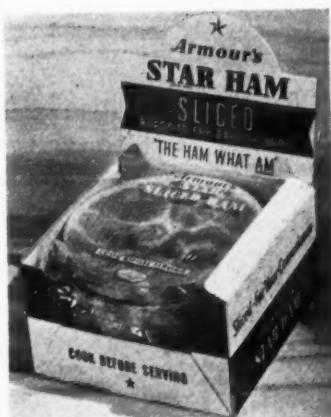
Package of the Year: Hoover's ensemble vacuum cleaner carton and cleaning tool kit was designed by Henry Dreyfuss. It, the jury agreed, is convenient to carry, handsome in appearance, and can be packed and unpacked with a minimum of effort.



Files Right: (Above) Nicholson File Co. was honored for "the most effective package for a product not previously packaged." This package, designed by Robert Gair Co., has succeeded in putting files on hardware counters, instead of being hidden out of sight.

Shelf Appeal: (Right) "For the most effective use of the elements of design to create shelf visibility in the retail store" an award went to Canterbury tea. The carton, entered by Robert Gair Co., was designed by the Ernest R. Ham advertising agency; used by Dwight Edwards Co.

Ingenious: (Right) Armour & Co. received the award for its sliced ham carton that showed "the most effective use of merchandising ingenuity regardless of artistic qualities." Its combination display-and-package possessed strong appetite appeal.



Container: (Right) "Most effective for merchandising and construction ingenuity" was the Muskegon Celery Cooperative Growers. Entered by Container Corp. of America. Designer, Charles Cook.



Family: (Right) An award for the most effective family of packages was bestowed on S. C. Johnson & Son, Inc., for its "Gym Finish, Traffic Wax, Penetrating Floor Sealer, and No Buff." E. Willis Jones was the designer.



# How We Test and Check Products, Policies and Marketing Plans

Is this idea for a new product any good? What's the matter with that old product on which sales are slipping? What is holding back jobbers' progress? This interesting article tells how The Paraffine Companies, Inc., goes about answering questions like these to head off costly mistakes.

BY

H. D. LUCAS

*The Paraffine Companies, Inc., San Francisco*

ONE of the more pressing problems of the manufacturers of building materials is to keep the products properly designed to meet the needs of an ever-changing market. This problem is by no means foreign to manufacturers in other fields. Possibly a review of the methods and experiences of this company in keeping the sales organization and the products manufactured synchronized with its markets will be helpful to others.

Market research is used to check the market for new products, to meet customers' needs as they arise, and to anticipate these needs whenever possible. It has proved valuable in establishing effective sales policies, advertising and merchandising programs.

## *Development of New Products:*

As in most organizations, suggestions for new products originate from many sources. The Paraffine Companies, Inc., is no exception. In fact, suggestions for new products, or improvements in regular ones, are encouraged.

A preliminary study is made of all suggestions, whether the idea originates with the sales department, research laboratories, or factory employees. The initial study of a new product usually involves the following factors: Is the item original or a slight modification of a similar product in the line, or a product already on the market? What is the probable selling price of the item? Does the suggested item compete with other Pabco products? If the item competes with other Pabco products, it is then determined whether or not it is important enough to justify the overlapping of lines and internal competition. Another consideration is whether or not the product presents

any peculiar problems in packaging, shipping or handling. The final check is the probable extent of the market and the estimated cost of marketing the product.

If the preliminary analysis of the suggested product is satisfactory, the idea is turned over to the research and manufacturing department for a thorough study and cost analysis. If the research and manufacturing departments report favorably on the suggestion a sample market study is made to determine the market and probable sales possibilities.

The research technicians suggested a new floor-covering product. The factory report indicated that it could be manufactured, and at a reasonable cost. What started to be a preliminary market survey soon became one of the most comprehensive studies of a new product that the company has ever made.

## *Actual-Use Testing*

Architects, building owners, tenants, engineers, and maintenance superintendents were interviewed in many of the principal cities of the United States. The survey covered all classes of buildings, including warehouses, railway terminals, office buildings, retail stores, hospitals and schools.

Architects, building owners and tenants laid down many exacting requirements for a heavy traffic floor-covering. The material must be inexpensive in price, application and maintenance. It must wear like iron, yet be easy on the feet that pound it. It must stand the scuffing of thousands of soles. It must bear up under the weight of truck wheels. It must resist damage from the falling of sharp-cornered objects. It must be a material impervious to

dampness and to climatic changes. It must be resistant to acids.

It was found that under heavy traffic conditions other types of floors had not been entirely satisfactory. Soft wood floors, while elastic, were subject to splintering. Hard woods, being inelastic, wore down where the traffic was heaviest and became irregular. Cement floors were relatively easy to chip, cold and unattractive. Metal floors were hard, cold and slippery. Other substitutes were usually too costly or unsatisfactory to be practical.

With the specifications established by the survey, test jobs of the material were laid. The material was laid on street-car floors, in various heavy traffic warehouses and elevators, chemical laboratories and the assembly line of a packing plant. In all cases, the material was laid in the heaviest traffic lanes where it would receive the most punishment.

A strip of the material was placed across the public highway at Antioch, Cal. Tens of thousands of motor cars and trucks, even horses and tractors, pounded it for over a year. Sun, rain and wind beat down upon it. Yet when it was taken up at the end of the test period it was in good condition.

## *But Beauty Was Necessary*

The results from all tests exceeded expectations. In all cases we found this: Where wood splintered when struck with hard objects, the new material held together. Where cement chipped, the material yielded, then healed its own wounds because of its coalescing qualities. Where cement and metal were cold and hard, the material was warm and comfortable. Where wooden floors wore out, the material appeared to have life almost everlasting. Where other floors were expensive, the material would be actually less costly than any other of the durable-type floor-covering materials.

However, the study also revealed that the material in its present form was not a floor-covering of beauty, but a utility floor-covering, preferable for use in industrial buildings. It became apparent that if the entire market for the material were to be reached, colors would have to be developed. This problem was turned over to the research technicians and several colors—black, red, brown and green—were later made available.



With the additional colors, pleasing designs using several colors could be laid. When properly laid it became a smart, attractive floor, adding personality to the building or establishment. The potential market for the material was vastly enlarged since it could now be used for stores, offices, corridors, salesrooms, schools, hospitals and other establishments.

While tests were being completed the possible methods of distribution were being studied. The survey showed that if the new floor-covering were to be successfully merchandised and sold, it should be handled as a specialty product. A careful cost analysis of the selling and handling costs indicated that there would be a large enough margin to make it profitable for a specialty outlet to handle the product.

### Predetermined Sales Technique

Through the market survey sufficient factual information was gathered to confirm the value of the product and predetermine a complete system of distribution before the material was announced. All selling, merchandising, educational, and technical bulletins were developed from the survey. Insofar as possible nothing was left to guesswork and, once the product was announced, there was comparatively little lost motion. The market and the method of developing that market were known, the salesmen were well fortified with actual facts and had all of the important development and selling information. The advertising and merchandising program was carefully planned to aid in doing the job.

This product is now known as Mastipave throughout the United States and a majority of the foreign countries of the world. From the original survey and a small start a new product was launched on the market that has fulfilled every expectation and has since assumed much larger proportions than were anticipated at the start.

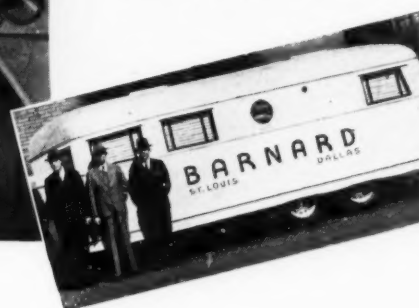
The latest development from the research department is a new product known as Pabco Coolite which in its own way will probably equal or exceed the success attained by Mastipave.

Coolite is a material of almost universal utility. It consists of a specially refined asphaltic vehicle, fortified by water-proofing oils and a floating pigment of finely-divided aluminum flakes. The vehicle flows the materials on, as in a paint or roof coating, giving life and elasticity to the surface covered. The aluminum flakes cover and interlock to afford a decorative and tough protective coating which guards the surface and the vehicle from the elements.

MARCH 1, 1938



**Rolling Stationery Example 1:** George D. Barnard Stationery Co., St. Louis and Dallas, invested \$5,000 in a trailer to display samples of printed book-keeping, legal, office records, etc., forms and office equipment in its 40 sales territories. Most of Barnard's \$1,000,000 a year business comes from small town banks, commercial houses, state, county and municipal government offices. Its one trailer, the company reports, has been as successful as 40 salesmen covering the same territory. Equipment by Covered Wagon.



## Sales Come to Him Who Goes After Them, Trailer Trio Proves

**Rolling Stationery Example 2:** The Central Ohio Paper Co., Columbus, Ohio, utilizes all of the available space in its showroom on wheels to display its extensive line of social, school and business stationery, notebooks, greeting cards, etc. Note the two-tone eye-catching design job on the exterior of the trailer. Equipment by Bender Body Corp.



**Mobile Laboratory:** Coming toward you it looks like a modern, streamlined train, but it's the Grafton and Knight traveling laboratory, a manufacturing plant on wheels, which duplicates the power transmission problems of manufacturers who are actual or potential users of G & K Research Leather Belting. The vehicle is 35 ft. long, 9 ft. high, 7 ft. wide and weighs 20,000 pounds.



Coolite has proved to be a paint applicable to many outer and inside surfaces, and a roof coating of peculiar merit. The great San Francisco-Oakland Bay bridge spanning San Francisco Harbor is covered, decorated and protected by Coolite type paint. The roofs of literally hundreds of buildings are protected by Coolite-type roof coatings.

When the research department first submitted samples of Coolite to the sales department the quality and durability of the product had already been established. Weather-meter and panel tests showed that Coolite would wear and last longer than any comparable material. It would also stand temperatures up to 400 degrees Fahrenheit.

### Whole Future Forecast

In studying the market for Coolite numerous test jobs were applied and carefully observed. Test applications were made in Florida, the Navajo Desert, in Montana, and the various cities on the Pacific Coast. The tests revealed that Coolite could be applied to any type of structure. It was equally effective on a wooden, metal or composition roof. It was practical and did not crack like ordinary aluminum paints.

However, the most important discovery of the experimental work was the heat reflectivity of Coolite. It was found that solar radiant heat was reflected and that interior temperatures were reduced 15 to 20 degrees and sometimes more. Coolite was non-glare; and on buildings with saw-tooth construction as much as 30% additional light was reflected into the interior by its application. The non-glare qualities of Coolite and its highlight reflectivity make it valuable for using on the interior of buildings, particularly industrial buildings.

The tests indicated that Coolite had a definite market and that its durability and wearing qualities far exceeded market requirements.

In addition to this work, experiments were conducted in developing application equipment to determine the cost of applying Coolite. It was found in studying the product that it could be applied by either brush or spray, but that on the larger areas spraying was more economical. Various sprays were tested until the type was found that would do the most efficient job. This spray was not too cumbersome or expensive for applicators to purchase.

While the final tests were being completed, numerous interviews were conducted and sales demonstrations given to determine the buying motives for Coolite. Residential owners, arch-

itects, building owners, engineers, purchasing agents, plant superintendents and maintenance men were interviewed and given a sales demonstration of Coolite. Every possible application of the product was covered in this way.

(In the course of the interviews and sales demonstrations questions are asked and inquiries made which reveal the needs and specifications the product must meet to be satisfactory. From the information secured the sales plans, advertising and merchandising programs can be developed to attract, meet and satisfy these needs.)

The channels of distribution for Coolite were well established, for the company not only manufactured paint and floor-covering materials, but was one of the pioneers in the manufacture of asphalt roofing materials.

While Coolite is essentially a specialty product, it was decided to handle it through jobbers and sell it to roofing and paint contractors and applicators. Test selling and application work indicated that the regular jobber distribution would have to be supplemented by specialty salesmen. Coolite is not a difficult product to apply, but to derive the most from its potential market it would be necessary to do considerable organization and educational work.

### Survey Said "Thumbs Down"

A study has just been completed on a new item which is interesting. It illustrates the danger that is always present in developing a product and shows the necessity of carefully analyzing the market before attempting to secure distribution.

The preliminary study of the product was very encouraging. It was a "natural" for advertising and merchandising. It could be easily and attractively packaged. It was ideal for distribution through jobbers. One or two other products of a similar kind were being successfully marketed at a profit. Laboratory tests indicated that this item was definitely superior in many qualities to those that were already on the market. There was no question as to the existing need for this or a similar product.

The natural assumption was that there was no reason why we couldn't develop this product and market it profitably. The company was well established; it had an enviable reputation for quality merchandise. Its jobbers' and dealers' connections were excellent.

A sample market study revealed sufficient information to discourage further development work. The survey indicated that, to market the product successfully, general retail

distribution would have to be obtained. It would have required complete covering of hardware, general, department, specialty and variety stores in every town. The company's present sales organization was not large enough to promote, develop and establish a market for the product. It would have required at least 50 to 60 specialty salesmen and an intensive advertising campaign. The cost of overcoming competition in an established market for this product exceeded the possibilities of profitably developing a demand.

In this particular case, a general survey of the market for the product, a number of interviews with consumers of the product and store buyers indicated the type of sales resistance that would be encountered. A few test selling jobs furnished the remainder of the necessary information.

**Changes in Old Products:** Market research has proved valuable not only in determining the probability of successfully marketing a new product, but also in keeping present items in the lines properly "tuned" for the market.

There are few stable products left that do not have to be continuously studied and revitalized to meet new market requirements.

The Paraffine Companies, Inc., manufacture a complete line of paint, roofing and floor-covering products. It is a real problem to control and to keep these products properly synchronized with their market at all times. To facilitate this work, statistical records are tabulated by individual items and grouped by lines. When a particular line shows any market weakness, the individual items within the line are studied. If the weakness appears to be general for the line and not a temporary shift in demand, a study is made to determine the cause.

Often interviews with jobbers and dealers will indicate the source of trouble. If adequate information is not secured from these sources, a check of the material with the users and, observation of the material being used on jobs rarely ever fail to reveal the trouble.

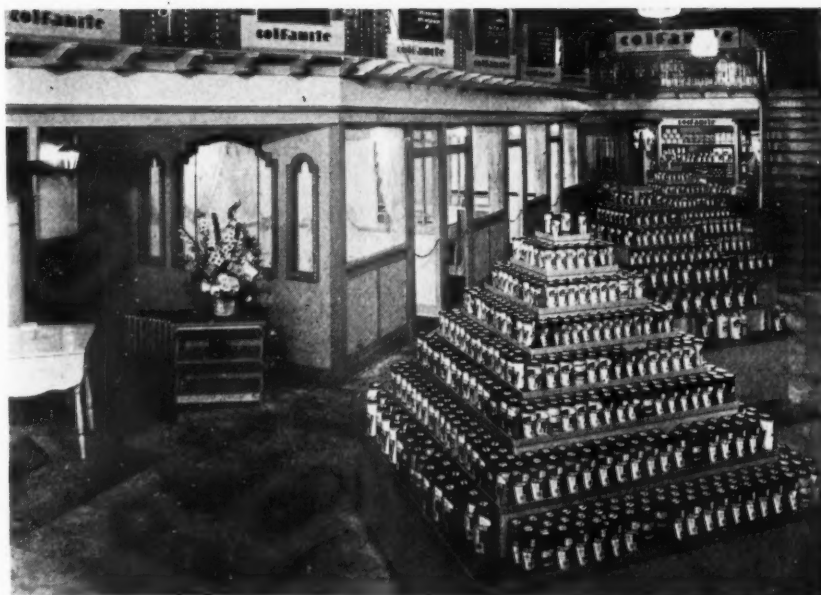
We recently found the volume of a particular item gradually decreasing. The product had been an excellent seller for a number of years. We knew the product was right, which made it more difficult to understand the decline in volume. A check with the jobbers and dealers did not reveal the trouble. Many of them could furnish no information. Others stated that the product was no longer

(Continued on page 76)

SALES MANAGEMENT

BY  
MANDUS E.  
BRIDSTON

The Colfanite retail store in Seattle substitutes an open stock pyramid arrangement for the familiar shelf plan. Display fixtures like these are made available to dealers.



## How Colfanite Sold Dealers Who "Didn't Want Another Line of Paint"

Showmanship, dramatic demonstration, good dealer helps and smartly conceived promotion aids helped this two-year-old company to break into a highly competitive field against well entrenched competition.

**B**UILDING a dealership of 810, and selling a million packages of Colfanite liquid finish to the seven western states in two years, is the marketing performance of Colfanite Products Co., Inc., Seattle.

Not that people weren't painting up prior to the entrance of this company in the field. They certainly were. In Washington state, for instance, the per capita use of varnish and paint ran \$5.25, and throughout the territory the paint and varnish business held true to the national average—twice as large as the shoe business.

Colfanite's coming-out party was the trying one which so many new products have to go through. Certainly the paint dealer, with his stocks piled to the ceiling, was not in the mood for a sales talk on Colfanite, and the same carefully planned sales talk rolled off the back of the equally well stocked department store buyer. Colfanite specialty stores were also tried as a means of gaining the distribution which was slow to develop in such a crowded field. The difficulty here was in finding men with money to invest in a store who also knew how to merchandise.

Frank Hobbs, Colfanite president, and A. H. Kinney, in charge of sales, knew they had something unusual in the Tung oil-based finishing product and the only problem was to get through the defense. It was decided to go back to the department store buyers, all of them, but with something other than a sales talk this time. What the salesman had to offer was a deal so good that buyers couldn't pass it up. They offered to put in a complete stock of the line, to show and sell it by a factory-trained demonstrator, to advertise it, and to accord the store a 25% commission on all Colfanite sales in return for thus giving the line a front seat in the big traffic show.

The expected happened. As Colfanite showmanship and salesmanship got under way in 72 big department stores of the area, women began to talk, not only about the beauty of the new finish but how amazingly it passed unbelievable tests: Pouring a little alcohol on a Colfanite-finished panel and burning it off, to show how it resists fire, testing with such destructive acids as carbon tetrachloride to prove that it is acid and alcohol

resistant, and the like. Letters of inquiry began to come in from the territory. In a two months' trip over one area, on the heels of the department store debut, Sales Manager Kinney signed up an average of three and a half dealers a day. All on the sales staff were equally busy in the follow-through, which meant 810 dealers in two years and a coverage of *every* town or city in the territory of seven states.

But just to sign up the dealer, and present him with a franchise to sell the line in a given territory, was merely the beginning of the Colfanite plan of distribution. Colfanite promised its new dealership that selling the line is made easy by complete, modern merchandising plans, and fulfilled its promise with a complete dealer help line-up.

The 70-page manual, used alike by Colfanite salesmen and dealers, heads the list. It has a cover stock of brilliant green, highly glazed paper, and a cerise plastic binding. Twenty-seven of the pages are devoted to testimonial letters from local users, with photographs of applied uses of the finishing product, and the remainder present a step-by-step analysis to establish what is meant by the statement: "This is Colfanite."

Display helps are not designated by that term, but as "Merchandise Cabinets," which is what they actually are. For instance, one of the display fixtures is 21 inches wide, 48 inches high, and 13 inches deep, and it may be





This demonstration and selling booth in the Crescent Department Store of Spokane, Wash., is representative of set-up used in 72 big stores in the Colfanite marketing area.

placed in a dealer's window or on the sales floor, where it functions as a self-selling unit with visible prices and stock always accessible. A display piece designed to fit on the top of the cabinet shows properly finished samples of wood and linoleum, stocks sales folders, color cards, and the like.

The Colfanite color card deserves more than a passing mention. In lieu of the usual regimentation of rectangular color samples, this card presents the color samples in the form of discs, arranged in groups of harmony by contrast. Deep gray, Chinese red, light blue are a representative contrast grouping. Tests made by the company established that the average person is well able to combine colors by analogy, such as a brown and buff combination, but that he welcomes guidance in achieving harmony by contrast. The Colfanite color card is also useful in explaining how to achieve tints of pastels with the same basic color.

On the harmony card produced for floor finishes, the color samples are in the form of floor sections, inserted in room sketches. The one devoted to selling the idea of repainting the family car is even more ingenious. The color samples are 2"x3" rectangles, over which the design of an automobile, done on a transparent rectangle of the same size, is fitted during the sales interview. The design of the car is one of a vintage of a few years ago, of the type coming in for refinishing now, rather than a new streamlined model.

Dealer helps, while planned a year ahead, are constantly amplified as the picture changes on the dealer front.

For example, it was noted that the dealers had the problem of recommending a finish for the rustic construction, using peeled fir logs, popular in the West. Immediately a sample of this construction was included in the helps.

Close touch with the dealer and his problems is facilitated with the use of demonstrators, whose reports have been responsible for an illuminating "Question and Answer" booklet, tabulating answers to 114 questions repeatedly put by the public. While the queries are always covered in some phase of the manual or other sales literature, this compilation shows the dealer how important it is to be informed on every point.

One of the ways the company encourages the dealer to employ the product as a direct seller is to provide him with a demonstration sample case, easily carried in a house-to-house canvass. It is completely equipped to prove every sales point with a dramatic demonstration (burning test, acid test, etc.) just as it is done at the point of sale. Also, one of the kits is on hand for use at the store, in between the calls of the company demonstrators.

Because a quantity of the line is sold to householders who want to do the work themselves, Colfanite supplements the dealer contact with fuller-than-ordinary directions with each package. (See illustration at right.)

Such comprehensive instruction booklets with each package, plus all the other dealer helps that really help, fulfill Colfanite's promise to its dealership that selling its line is made easy by modern merchandising. Another

affirmative factor is the line simplification which permits a complete coverage with a small stock investment—a few hundred dollars in contrast to the several thousand usually tied up in a complete line.

Salesmen work with dealers to arrange Colfanite products in open display. It is true that the paint store of today often proves the adage about the shoemaker's children going shoeless. Colfanite's own retail store in Seattle is a model of open display and



Colfanite leaves nothing to the imagination of the purchaser who is using the product for the first time. Directions for product use are printed on a foldup which, when open, resembles a strip of film. Beginning with the proper preparation of the surface to be painted, it pictures and describes every step down to the last detail.

the eye appeal which means buy appeal.

The company avoids drab cans of paint, offering its product in a real package—a modernly shaped glass jar with a screw top that is as easy to open as it is to close. Nor is the paint packaged in pints or quarts. It is sold by coverage; the label tells how many square feet each size will cover, and even illustrates just how to compute the square footage of an area. Because a wet color, as viewed within the glass, differs from the same color when dry, the color is sprayed on the outside of the glass to eliminate any possibility of going wrong on a color selection.

While the product is given the benefit of modern packaging and modern merchandising every step of the way, the essential marketing plan is simple: Make it easy for the dealer to sell; make it easy and convenient for the customer to buy and use.

SALES MANAGEMENT



# Advertising Campaigns

[Old and New Products as Promoted in Newspapers, Magazines, Radio, Dealer Helps and House Organs]

## Movie Stars' Hams

Some actors would be insulted at the very suggestion, but Snow White and Her Seven Dwarfs don't mind appearing on the wrappers of Armour & Co.'s "Star" hams. Walt Disney's cartoon characters have demonstrated that they are no ham actors, and now they are going to prove their merchandising ability.

A series of stamps showing, in full color, adventures of Snow White et al. has been drawn by the Disney studios and 5,000,000 sets or 40,000,000 stamps are being printed. (By way of comparison, the Christmas anti-tuberculosis stamps numbered 100,000,000.) Youthful collectors may receive a set of eight stamps by presenting a coupon clipped from an Armour ad at any shop carrying the firm's meats. No one has to buy anything.

Coupons will appear in ads breaking just before Easter. Full color pages are to run in *The American Weekly*, *Ladies Home Journal*, *Good Housekeeping* and *McCall's*. About 150 newspapers in major markets carry additional b. & w. copy and some color.

Decorations for 35,000 store windows and 65,000 interior display cards are being supplied dealers. These and the ad copy tie to Armour's regular Meal of the Month theme: "... Meal of the Month in holiday dress. A feast so good that it inspired this fairy setting. But there's no make-believe in calling it a feast. Armour's Star ham, painstakingly cured and slowly smoked to tender goodness, is a feast in any language.

"You get Armour's Star ham where you see Snow White and the Seven Dwarfs in the window. And get a set of beautifully colored stamps the children will love."

Magill-Weinsheimer Co., Chicago, is printing the stamps. Lord & Thomas is the agency in charge.

## Nehi Takes Air

Nehi, Inc., Columbus, Ga., makers of Royal Crown Cola and other soft drinks, starts its first network program on 58 stations of the NBC Blue March 11. It will fill the Friday evening 9:00-9:30 spot with George Olson's orchestra and other performers.

Not so long ago the firm's stock was quoted in Wall Street at 50 cents

a share. Today it is around \$40. Which indicates steady, solid expansion to the present national bottling organization that makes a coast-to-coast hook-up advisable. Other products are Nehi Trufruit flavors, Par-T-Pak ginger ale and sparkling water.

James A. Greene Co., Atlanta, is the agency in charge. Newspapers and magazines will supplement the radio.



Shooting for an Old Quaker whisky ad are, left to right, William A. Jensen, of Brown and Tarcher agency; the dog model; Old Quaker inspector, George Hipple; a photographic assistant; and Mac Ball, photographic expert. The picture they are making is one of a series on the theme that certain dog heroes, and Old Q., are outstanding.

## Schenley's Best Friend

Schenley Products Co. estimates that there are 15,000,000 licensed dogs in the U. S. "That means at least 45,000,000 persons own dogs, because each member of the family owns the family dog," says Walter R. Greenlee, v.-p. in charge of ads. "Pet shop owners and animal societies estimate that at least another 45,000,000 persons are interested in dogs, even though they can't own one, because of restrictive living conditions."

But if 45,000,000 dogless persons are restricted, they—as well as the other 45,000,000 dog owners—can own a bottle of Schenley's "Old Quaker" straight whisky. Here's how Old Q. is hanging on to Rover's tail:

In 400-500 newspapers in every legal market true stories will be told of the "loyalty, intelligence and outstanding courage of dogs." Typical copy:

"This dog rates the 'Mark of Merit' as surely as Old Quaker, guarded by our '51 watchdogs of quality.' One dawn this dog smelled smoke . . .

went into action . . . as our inspectors do to check Old Quaker . . ." etc.

"Heads above the Crowd" will be headlined for both the dogs and the whisky.

Last year Schenley ran a picture of Jessie, one of the Wilken whisky family dogs, with her quintuplet pups, and received requests from more than 65,000 people for a picture. Therefore Mr. Greenlee predicts an even greater interest in Old Quaker and dog heroes. Magazine schedules have not yet been settled, but are on the way. Agency, Brown & Tarcher, N. Y.

## Covers Come to Life

Van Camp Sea Food Co., Terminal Island, Cal., is showing grocers a new film that demonstrates how "constant advertising has helped to build overwhelming public preference" for Chicken of the Sea and White Star tuna fish brands.

The girl on the covers of *The American Weekly*, *Ladies' Home Journal*, *True Story*, *Woman's Home Companion*, *Good Housekeeping* and *Sunset* comes to life. A bevy of Hollywood cuties, in full color, display Van Camp's prize contest for 1938—40,183 cash and merchandise prizes. Black and white ads are not forgotten in the picture. Nor are the profits from tuna overlooked in arguments for displaying both brands.

Rockett Co. made the film. Emil Brisacher and Staff, San Francisco, is the agency.

## Heart's Delight

Richmond-Chase Co., San Jose, Cal., introduces "Heart's Delight" whole fruit nectars . . . luscious

California fruits in beverage form. Five flavors, apricot, pear, plum, peach, peach-nectarine."

Besides being good as "breakfast eye-openers, at bridge, or as grand mixers anytime," these liquefied fruit "juicidinks," can be used in a variety of cooked dishes. Bottsford, Constantine & Gardner, Portland, Ore., agency, has placed pages, some in color, and smaller space in: *McCall's*, *Ladies' Home Journal*, *Pictorial Review-Delineator*, *Vogue*, *New Yorker*, *Parents' Magazine*, *Better Homes & Gardens*, and *Good Housekeeping*. A folder for dealers reproduces the cover of *Vogue*, explains the campaign, with facsimiles of ads, and describes store and window displays.

### Plumbing Engineer

Standard Sanitary Manufacturing Co., N. Y., started presses rolling the day after President Roosevelt signed the new national housing act. They turned out 55,000 copies of *Standard News*, standard-sized newspaper for master plumbers, with details of the act.

Then, 1,000,000 copies of *Standard Home News*, an eight-page, four-color gravure tabloid for homeowners, were printed. One copy went to each plumber. A card was enclosed on which recipients might indicate quantities they wanted for distribution to customers under their own imprint. "Modernization in Plumbing" is the theme stressed in the *Home News* and in the company's other ads.

Shortly a series will break in about 1,100 newspapers on the master plumber as an engineer in his field. Blaker agency, N. Y., is in charge.

### Modern Art Contest

At the national poster art contest sponsored by Ryan, Leach & Goode, N. Y. sales engineers, at Manhattan's Waldorf-Astoria recently an unusual system was employed to decide the grand prize winner.

Each judge filled out a ballot for each design submitted, based on six individual points: The idea from a selling point of view; pictorial presentation of the idea; strength and harmony of color; originality of technique or design; composition and layout; and drawing and draftsmanship.

After rating a competing design in percentages, on every count, the judge's ballot was cast to obtain an average for all six points. Finally, to arrive at the standings of all designs, the 16 judges' ballots were totaled and the highest composite percentages won the prizes.

This mechanical calculating eliminated selection of designs unusually strong on one or two points, but un-

[26]



Fernanda Zagni, student at the American School of Design, N. Y., with her poster which received the grand prize in the Modern Art Contest.

usually weak on others. It gave equal weight to all six points. "It might well serve as a valuable guide for advertisers who appraise and buy art work," says Porter F. Leach, of the sponsoring firm.

Among the judges who considered the merits of designs by students at five New York and Chicago schools of design were artists C. B. Falls, John Sloan, Eugene Speicher, Franklin Booth; President E. C. Donnelly, of John Donnelly & Sons, Boston, outdoor ad specialists; E. W. Mayo, ed-

itor, *World Petroleum*; Douglas Taylor, vice-president, Printers' Ink Publishing Co.; and Raymond Bill, editor, *SALES MANAGEMENT*.

### Peaceful Pipes

Penn Tobacco Co., Wilkes-Barre, Pa., combines a copy test and a regular introductory offer for Kentucky Club pipe tobacco in 29 New England and five Iowa newspapers. A coupon brings a pipe and a can of tobacco, (Continued on page 55)

## Sales Jump When Amity Induces Price-Minded Dealers to Trade Up

BY R. C. FREITAG

Advertising Manager, Amity Leather Products Co., West Bend, Wis.

CONVERTING dealer and consumer demand for low-price billfolds into active desire for higher-priced quality goods within a few months is the accomplishment of this 25-year-old company. It has increased our business for 1937 over 100%. In December—when many merchants were reducing inventories—Amity sales rose 54%.

Early in 1937 retailers would have stated that \$1 and \$1.50 billfolds were their best sellers. Sales of more expensive billfolds were exceptional—so extraordinary, in fact, that many dealers had stopped carrying any priced above \$2.50.

Amity, however, has built its business on quality manufacture. With advancing cost of production it is impossible to put any great amount of quality into a dollar billfold and still

show a profit. Obviously the problem was to reestablish a market for better grade leather goods.

The first step was to determine what features should be included in a billfold to lift it above existing competition, both as to price and convenience. Thousands of consumers were interviewed to obtain their preferences. Boiling down the ideas expressed, it was found that the majority preferred these features:

Quality leather for longer wear; thin, flexible construction; place to carry spare keys; identification and other card pockets; roomy bill compartment; secret pocket for large bills; reinforced edges; no gadgets, simple design; light weight.

Armed with this up-to-date consumer opinion, our designers developed a billfold which was named the

SALES MANAGEMENT



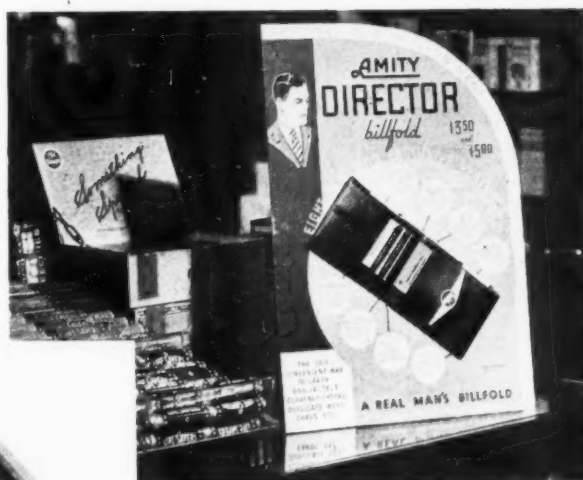
"Director." It could be retailed at from \$3.50 to \$10, a price range that was (as our survey showed) acceptable for a billfold containing all the desired features.

It was next necessary to convince our salesmen of the fact that such a billfold could be sold at the stipulated price. To do this we showed them the evidence that had influenced the executives' decision. We anticipated their doubt as to whether or not *they* could put the story across to their trade by equipping them with a sound film presentation of the whole campaign for use among jobber salesmen. Another film was supplied for department store presentation (the survey had disclosed this as an important outlet) and a sales portfolio.

The portfolio, illustrated, permitted



(Below) Amity salesmen used this portfolio to introduce the "Director" model to buyers. It shows ads, includes a sample of the actual product, displays key cases to match all models from \$3.50 to \$10.



(Above) A "self-seller" display for use on cigar counters was supplied as part of a deal. The company was unusually successful in getting druggists to feature the new "Director."

salesmen to present the background of the Director; second the wallet itself; and finally the advertising campaign to the public.

To enlarge distribution a deal involving only three Directors, accompanied by a free display card, was worked out. Because this deal was small it was within the reach of all retailers, hence required a minimum of selling effort. Jobber salesmen were equipped with an abbreviated sales portfolio which contained the whole story in a nutshell.

Window display tests were made in various trade centers, using a giant replica of the billfold as the main eye-focus. These proved that quality billfolds could be sold throughout the year, in spite of a prevailing belief that Christmas alone offered such an opportunity. Several stores experienced sales increases up to 300%

while the windows were in, and this was during a pre-holiday period. The windows also established the fact that men buy billfolds as replacements at any time, whereas at Christmas some 80% of all billfold sales are to women for gifts to men.

Packaging also was thoroughly planned. The package adopted placed the product in a class by itself, and made competitors look cheap. Gold linings to the gift boxes and the best quality printing enhanced the appearance of the Director.

By concentrating on a single quality item Amity has been able to introduce it in hundreds of outlets. With it, in many cases, have gone other items from the staple line, items that could never have obtained a foothold without the trail-breaking Director.

First advertising appeared last September, in *Life*, simultaneously with

Several different types of test windows were used to check up on the salability of the new product. This one, used in Detroit, was responsible for stepping up leather goods sales materially during the off-season. The large leather replica of a billfold was spotlighted.

the Director's introduction. Response was immediate. Hundreds of dealers wrote letters to the company describing their experience. These are typical:

From a department store in the Middle West: "Our over-the-counter sale is phenomenal. Eighty per cent of our sales are for Directors priced at above \$3.50."

From a jewelry store, East: "We, of course, are interested in selling merchandise that gives us a chance to trade up—and the Director gives us this opportunity."

A luggage shop, Middle West: "We have closed 90% of our inquiries for the Director."

A drug store, West: "The most gratifying point to us is that we have been able with very little effort to take a \$2 or \$2.50 billfold customer up to \$3.50 or \$5 because the Director possesses so many features that every man likes."

Since January 1 retailers are spotlighting the Director as an every day seller instead of merely a gift item. To assist them a model stock control system has been devised, making it easy for the retailer to obtain a maximum turnover on a limited inventory investment. Amity salesmen, instead of peddling goods, have a definite merchandising plan to interest merchants.

Successful over-the-counter sales of the Director have also made salespeople quality-minded. Its exclusive features have convinced them that they can sell quality instead of price alone. Consequently, it has blazed the trail for hundreds of items in the Amity line.



# Survey Shows Price Maintenance Still Favored by Retail Druggists

Scientific cross-section drug survey of six states, made for SM by Ross Federal Research Corp., reveals continued retail enthusiasm, tempered by resentment at manufacturers who do not enforce compliance; Pepsodent, Bristol-Myers, Colgate, Bayer, Listerine, Alka-Seltzer, Kotex among those praised by druggists.

Analysis by

**PHILIP SALISBURY**

*Executive Editor, SALES MANAGEMENT*

**D**RUGGISTS were largely instrumental in selling state and Federal legislators on passing fair trade acts, or price-maintenance laws as they are commonly called. But do they like their baby today? Jimmy Walker's old hit song, "Will you love me in December as you did in May?" might have been written about fair trade, if one takes seriously the output which the rumor factories have been grinding out since recession set in.

SALES MANAGEMENT commissioned the Ross Federal Research Corp. to make a field survey during the first ten days of February among both chain and independent drug stores to determine whether any or all of the following rumors were true: Prices have been raised—the public resents the high prices—fair trade acts have stimulated the sale of private brands and non-price-maintained national brands—druggists would like to undo the laws they helped to fashion.

## Typical Dealers Said "No"

These were a few of the rumors. Some manufacturers, hearing them from a variety of sources, began to feel panicky, even though warned by experienced heads like William H. Ingersoll that no new law could be expected to function with full efficiency from the start.

Because that Ingersoll argument smacked of sound common sense, the editors chose to have most of the field interviews made with druggists in

states where fair trade laws have been on the statute books from 18 to 60 months. The states selected were California, Washington, Iowa, Illinois, New Jersey and Pennsylvania. Only in the latter state did any druggists qualify their answers because the act had been in operation for only a short time.

Most of the rumors mentioned above seem to be groundless. Most of the independents have not raised prices on price-maintained goods (but the chains have); neither chains nor independents have noticed much customer objection to the price-raising that has taken place; private brands have not been made much more attractive than they were in the past; and if the druggists had it all to do over again they would do just what they did before (except that they would make enforcement more sure and more prompt).

Ross Federal field workers were given call assignments which represented a 3% cross-section of the drug stores in each state. The assignments were further refined so that all city-size groups, except rural, were covered proportionately, and the detailed city instructions called for an adequate sample of both shopping center and neighborhood stores.

Approximately 70% of the interviews were with independents or local chains (actual interviews 307) and 30% with managers of national and sectional chains (actual interviews 145).

Eight questions were asked.

1. Are you charging more for price-maintained goods than you did before the Fair Trade Act was passed?

	Chain		Independent	
	No.	%	No.	%
Yes .....	105	72	118	38
No .....	39	27	189	62
No answer ..	1	1	—	—

*Is this general, or exceptional?*

Those who answered "Yes" to question No. 1 said:

	Chain		Independent	
	No.	%	No.	%
General ....	78	74	76	64
Exceptional .	27	26	41	35
Don't know .	—	—	1	1

Those who answered "No" to question No. 1 said:

	Chain		Independent	
	No.	%	No.	%
General ....	38	97	178	94
Exceptional .	1	3	11	6

## Is Macy's Mistaken?

Q. Forrest Walker, economist of R. H. Macy & Co., told members of the Cincinnati Advertising Club on February 9 that the Miller-Tydings Act had resulted in an average price increase of 13.8% to the consumer on price-fixed (*the Macy term*) brands in the New York Metropolitan area; that smaller quantities of national brands were being sold at the higher prices; that these higher prices act as a protective tariff for private brands; and that "if national-brand owners had deliberately sought some means of promoting private-brand competition they could not have selected a better method than resale price fixing."

The SM-Ross Federal survey made no attempt to arrive at a percentage figure of increase on price-maintained brands. This could be determined only by a competitive shopping study "before and after," which Macy claims to have done in New York. But since the majority of druggists in the six states report that prices have not increased, it would hardly seem that the increases of the minority could have shoved the price average up by 13.8%. This however is a debatable point.

Mr. Walker's other points are more clearly answered in the six-state survey. Whether or not national brands lose out to private brands will always de-

# Long Distance rates STEP DOWN EVERY EVENING AND ALL DAY SUNDAY



In the evening, after the day's duties are done . . . on Sunday, when the week's worries are over . . . *these* are especially pleasant times to bring far friends near and link scattered families by telephone.

Long Distance rates step *way down* after seven in the evening and all day Sunday. It takes little time and little money to *talk* to some one it would take hours and dollars to *visit*. Go there and *back* by telephone. Call after Seven or on Sunday—and *save*.



## HERE'S HOW LITTLE IT COSTS TO TELEPHONE!

BETWEEN THESE POINTS		AT NIGHT AND ON SUNDAY*
BALTIMORE, MD. . . . .	PHILADELPHIA, PA. . . . .	\$ .35
CHICAGO, ILL. . . . .	INDIANAPOLIS, IND. . . . .	.45
LANSING, MICH. . . . .	WHEELING, W. VA. . . . .	.60
BIRMINGHAM, ALA. . . . .	NEW ORLEANS, LA. . . . .	.70
ATLANTA, GA. . . . .	KANSAS CITY, MO. . . . .	1.20
SEATTLE, WASH. . . . .	DENVER, COLO. . . . .	1.80
LOS ANGELES, CAL. . . . .	DES MOINES, IOWA . . . . .	2.50
SALT LAKE CITY, UTAH . . . . .	WASHINGTON, D. C. . . . .	3.25
BOSTON, MASS. . . . .	SPOKANE, WASH. . . . .	4.00

\* 3-minute station-to-station rates . . . in effect from 7 P.M. to 4:30 A.M. every night and all day on Sunday.

# Tell it

To sell Industry, take a tip from lawyers...win your case by winning the men who decide!

In selling to industry you go up against a jury, just as surely as does a trial lawyer with a case to win. And you can profit by one basic fact that a good lawyer never forgets—the jurymen are the men who must be convinced. Their decision is vital... final.

Selling goods is an exact parallel. Consistent presentation of the facts to the jury is the way to win. The more closely you can concentrate your efforts on the jury, the less the effort, the lower the cost... and the greater the return on both.

## Have a Good Trial Lawyer!

One who specializes in convincing the industrial juries of America. One with a brilliant record of winning cases for 5,000 leading advertisers. One who understands the jury and sells every last one of them! Such a one is the business press.

The natural place to put your sales story before these juries of industry is through the pages of McGraw-Hill Publications. Why natural?

## A Million Dollars Worth of Reading Matter

Because the 25 McGraw-Hill Publications are the product of 140 selected editors, by far the largest staff of engineering specialists of any publishing house. Because the magazines they edit are based on field work, down-to-

earth knowledge of facts, intimate familiarity with their respective fields, sound judgment in assaying the value of news. Because the respect and confidence in which McGraw-Hill Publications are held is such that the key men of industry—the jurymen who must pass on your products—pay more than one million dollars a year for these magazines!

... and finally, because McGraw-Hill Publications go direct to the men you have to sell, and to no others. Which explains, in part, why McGraw-Hill Publications offer to industry the thing which all men selling to industry seek—**LOWER SELLING COSTS!**

For Lower  
**McGRAW-HILL**  
McGRAW-HILL PUBLISHING CO., INC.

AMERICAN MACHINIST  
AVIATION  
BUS TRANSPORTATION  
BUSINESS WEEK  
COAL AGE  
CHEMICAL & METALLURGICAL  
ENGINEERING

CONSTRUCTION METHODS  
ELECTRICAL CONTRACTING  
ELECTRICAL MERCHANDISING  
ELECTRICAL WEST  
ELECTRICAL WORLD  
ELECTRONICS  
ENGINEERING NEWS-RECORD





# Quality



—“Sure—they’re Editors!”

No shears . . . no paste pot. But lots of shoe leather, Pullmans, brains and sweat.

McGraw-Hill editors are constantly in the field. They know the industries they serve because they live with them . . . eat with them . . . work with them. Swivel chair theorists have no place in this organization. That is why every McGraw-Hill Publication has the ring of sincerity, the breath of truth, and the stamp of authority.

These qualities naturally win the respect of industry’s key men and make the publications more valuable to those who advertise in them.

## But MY Problem is Different



“I sell only *one* group, and I’m not interested in others. So I use the *one* McGraw-Hill Publication that blankets my field. It gives me all the men I want, at lower selling cost.”



“My sales problem is different. We make products that sell to no less than *eight* unrelated industries. But we reach the men we want in *all eight* fields by using McGraw-Hill Publications. Each one is the leader.”



“A great manufacturing company like ours supplies products for many industries. We find we can best sell these different fields by using 22 McGraw-Hill Publications. They certainly do it at a **LOWER SELLING COST** than any other method.”

## To Sell Industry, DO THIS!



Write for this new book, “Your Mr. Smith-Smith”. An entertaining and valuable summary of the 100 THINGS THAT MAKE MEN BUY for their business operations. *It’s Free!*

## Selling Costs

# PUBLICATIONS

332 W. 42ND STREET, NEW YORK, N.Y.

ENGINEERING & MINING  
JOURNAL  
FACTORY MANAGEMENT &  
MAINTENANCE  
FOOD INDUSTRIES  
INDUSTRIAL SELLING  
METAL & MINERAL MARKETS

MILL SUPPLIES  
POWER  
PRODUCT ENGINEERING  
RADIO RETAILING  
TEXTILE WORLD  
TRANSIT JOURNAL  
WHOLESALE’S SALESMAN

pend to a large extent on the *attitude* of the retailer, and this was measured by the second question.

2. As a business man, do you find these brands more attractive now?

	Chain		Independent	
	No.	%	No.	%
Yes .....	100	69	226	74
No .....	44	30	80	26
Don't know .	1	1	1	—

The answers of the chains are in a sense more interesting and significant than those of the independents, because least expected. Certainly the big chains did not fight for the fair trade acts.

A Los Angeles interviewer reports, "With the exception of one or two of the extreme price-cutters, the better chain stores are definitely in favor, as it has given them the opportunity to make a reasonable profit." A Chicago representative put it this way: "The

chains have experienced a drop in unit sales but their net profit has increased. *They now make a larger profit from the merchandise than they did previously out of rebates from the manufacturers.*"

A full three-quarters of the independents expressed themselves as finding price-maintained brands more attractive than in the past, although many complained of insignificant margins. Several New Jersey independents told the Ross Federal man that whenever possible they switched customers from the non-fair-trade products to ones on the price-maintained list. Pittsburgh interviewers found fewer private brands on druggists' shelves and "many stated they would discontinue these items as sold out."

A Los Angeles report states that nearly all druggists reported sales increases on price-maintained products, and attributed this to (1) manufacturer's advertising, (2) friendly cooperation from druggists, (3) the public

becoming more conscious of *values* than of price alone.

In Chicago, so a Ross Federal man reports, "the independents were practically unanimous in praising . . . their sales had increased anywhere from 50% to 1,000% on certain articles, such as Listerine and Kotex, after customers had found that they could not be purchased any cheaper at the chain stores."

3. Now that you have no "loss-leader" competition on these national brands—and no losses on them that you have to make up—have you reduced prices on other goods?

	Chain		Independent	
	No.	%	No.	%
Yes .....	53	37	65	21
No .....	92	63	241	79
Don't know .	—	—	1	—

*Is this general, or exceptional?*

Those answering "Yes" to question No. 3:

	Chain		Independent	
	No.	%	No.	%
General ....	25	47	31	48
Exceptional .	28	53	34	52

Those answering "No" to question No. 3:

	Chain		Independent	
	No.	%	No.	%
General ....	85	92	235	97
Exceptional .	7	8	6	3

4. Has there been customer objection to higher prices on price-maintained goods? Much? Little? None?

	Chain		Independent	
	No.	%	No.	%
Much .....	23	16	10	3
Little .....	74	51	84	27
None .....	48	33	211	69
Don't know .	—	—	2	1

Pittsburgh druggists claim to have noticed a decided decrease in the "shopping" type of purchases, and seldom hear the old complaint, "I can get it three cents cheaper across the street."

Some of the interviewers noted some hesitancy in answering this question, and put it down as fear that any other answer but "none" might affect the future policies of manufacturers in registering under the Fair Trade Act.

It is quite possible that the percentage figures on this question are not altogether accurate, and that more opposition has occurred than the druggists would admit or even be aware of. Granting this, however, the *trend* of the answers is probably correct: That the opposition to whatever price increases have taken place has not been serious.

(Continued on page 72)

SALES MANAGEMENT



Ewing Galloway

## Thumb-Nail Review of Druggists' Attitude Toward Price Maintenance

Druggists in six states (68% independents and 32% chains) were asked a series of questions about price maintenance by Ross Federal interviewers. Here, summarized, are their answers:

1. Prices of price-maintained articles have been increased by 72% of chains and 38% of independents
2. Seven out of every ten find these brands more attractive now.
3. Prices on other brands have been reduced by 36% of chains and 21% of independents.
4. Much consumer objection to higher prices has been noticed by 16% of chains and 3% of independents.
5. Greatest sales increases are credited to Alka-Seltzer, Ipana, Pepsodent, Listerine and Sal Hepatica.
6. Practically all of those who favored a Fair Trade Act prior to its passage, continue to favor it today.





MAGAZINES ARE LIKE PEOPLE. They may be casual acquaintances. Or good friends. Or real intimates.

Better Homes & Gardens lives close to its readers because it sticks close to *home-life* from cover to cover. For more than 15 years it has never veered from its primary purpose: to provide a vital book that is *all-home* and *all-service*.

Today it is safe to say that no magazine has a warmer place in the homes and hearths of America! To more than 1,700,000 home-loving families Better Homes & Gardens is *their* book of the month. It mirrors not only their *mode* of life but their *mood* of life. It tells how to do the things they want to do...to beautify home and garden; to rear their children; to enrich their daily lives.

Result? Better Homes & Gardens offers you, Mr. Advertiser, the *largest single group* of home-owning families in the nation: the Biggest *Suburban* Home Market in America!

Since these folks are *home-owning-minded* they are *family-minded*. *Child-minded*! *Improvement-minded*! And *quality-*

*mind*ed! Put all those *italics* together and what's the straight answer? The biggest single TONNAGE market for anything that belongs inside the home or out!

This much is certain: because Better Homes & Gardens is *first* in the homes and hearths of America, it rates *first* place in the magazine-thinking of every advertiser. Meredith Publishing Company, Des Moines.

## BETTER HOMES & GARDENS

REACHING 1,700,000 FAMILIES  
AMERICA'S BIGGEST HOME MARKET





March marches in, and time marches on: Shall we get down to business, or do you want to hear about the hillbillies of Kentucky, down to their last jug of "corn"? Poor chaps! It's gettin' so a fella can't get a radio contract any more.

Speaking of the slump (as when weren't we?), the Porter-Cable Machine Co., Syracuse, has adopted a slogan: "Speed Your Gait in '38." S. S. Mellor, their ad mgr., has done a pome. Let us sing the first two stanzas, which will give you a rough idea:

To speed your gait in 'thirty-eight,  
Each moment you'll anticipate,  
And force lost time to abdicate,  
For lost time you abominate.

To speed your gait in 'thirty-eight,  
Each step you will accelerate,  
The quicker to facilitate,  
The orders to accumulate.

I see what you mean, Tessie: "Carrier" pigeons are air-conditioned.

Suggested slogan for *The American Boy*: "Boys Will Be Men."

Jam Handy's Hamilton Campbell says the non-honking motorist is more dinned against than dinning. You're darned tootin', Ham.

Our southern correspondent says a sweater brings out a woman's best points. The ever-normal mammary.

Mike Baxter, ad mgr. of *Banking*, recently rode the five o'clock out of New York for Philadelphia. Pullman porter J. W. Twyman, who lives in West Cape May, hung a sign on the men's "powder room" in Car 51, a penciled scrawl on a Western Union blank: "To(i)let out of order—please use Club Car front." Mike thinks the instructions were okay as far as they went, if you see what he means.

Low Conarroe wonders why some publisher doesn't advertise the fact that "Readership Is Leadership." Take it away, SM.

Two constant readers wrote to the editor of the *New York Herald Trib*, asking him to explain the expression,

"sour puss," used in an editorial. Those fellows are going to be sunk if they ever try to read *Variety* without benefit of pony.

Listerine is now cracking down on the male of the species. The chap whose breath is emblematic of the small-mammal house is "Often the best man—never the groom."

George Millington thinks this is the time and the place to start a Say It While He's Alive movement. Dead Chinamen can't eat those chicken dinners placed upon their graves with loving care, any more than we can smell a floral spray from six feet below in that Armco vault. If somebody does a fine job or any other worth while thing, let's tell him NOW!

"Lie back and grow beautiful in an Ardena bath," says Elizabeth Arden in the theater programs. She might have finished off with: "Send me the names of six friends."

"Double Mint insures brighter, healthier smiles." I wonder if Lloyd's would underwrite that?

Next time you have a rush of conceit to the head, pause and ponder Dale Carnegie's remark that the only difference between an idiot and all the rest of us is five cents' worth of iodine.

No wonder publishers die broke. They sell you a book by mail, then reinvest their profit, if any, in a long-term, direct-mail campaign to get you to buy another book from them. They aren't the only advertisers who fail to use direct mail to advantage, however. There are those who send everything in duplicate or triplicate. For instance, they feel sure that T. H. Thompson and T. Harry Thompson are two fellows living, oddly enough, at the same address.

No, Myrtle; a pantologist is not necessarily a pants-presser.

Chicago has a talking dog with a vocabulary of 14 understandable words, if you can believe the pix-page of the *Philadelphia Inquirer*. Imagine owning a dog like that and having him

run over to a neighbor's, telling all he knows about you!

Small business has apparently followed its big brother in repudiating Roosevelt. Instead of a third term, they both think he should get life.

"Armour President Sees Gains in Meat Business." I thought those burlesque shows were practically closed up.

With three other writers, I am to share a medal award for the excellence or something of the Caterpillar Tractor copy. I'll settle for a box of nickel cigars.

Obviously, the net result of a research on veils would be to know a veil. And don't waste any time figuring that one out.

What every salesman knows: Aspirin is a poor substitute for sleep.

A good executive is one who selects competent lieutenants, delegates responsibility. A poor executive is one who tries to do everything himself, fears loss of authority or prestige in sharing the spotlight.

In the February 12 issue of *Liberty*, Bernarr Macfadden has an editorial on the subject of what would happen if politics took over big business. His final paragraph reads: "The miraculous progress of this country was made when government made every possible effort to encourage and not restrict or retard industry; and the continuance of such advancement can be assured if the government will at least learn how to attend to its own business and allow the business-leaders of this country the same privilege." Any questions?

Every laundress is entitled to beef, whine, and iron.

American Tobacco could create a stir by putting a line of "pickets" in every city, carrying signs reading: "Lucky Strike."

J. Wallace Thorsen, of Crowell Publishing, wonders why Art Jarrett, orchestra leader, has never tried "Paddlin' Eleanor Holm." Maybe Art, after all, prefers "Holm, Sweet Holm."

As an admirer of Dale Carnegie and one of his devoted students, I get a giggle out of the old maestro's confession reported by *Variety*: "I can't understand it. Every time I face a mike, I go to pieces."

T. HARRY THOMPSON  
SALES MANAGEMENT



# frequency

## —drives tent pegs and ADVERTISING MESSAGES

Circus crews gang up on tent pegs because they know that five guys can drive a stake faster than one.

Most advertisers, too, know that frequency drives an advertising message home faster than one or two blasts.

To advertisers who know the value of frequency, The Family Circle has much to offer. HIGH visibility—no bulk, no solid advertising section! LOW rate—less than \$2 a page per thousand readers! And it DRIVES advertising messages home—to more than 1,510,000\* homes!

The Family Circle is published weekly, and is distributed through chain grocery stores.

Better buy NOW—and OFTEN!

\*Family Circle circulation.

## THE FAMILY CIRCLE MAGAZINE

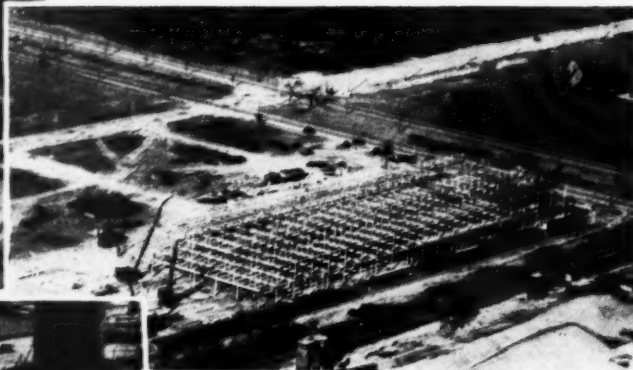
The Family Circle, Inc., Raymond-Commerce Bldg., Newark, N. J. • Represented by The Family Circle Magazine, Inc. • New York • Chicago • San Francisco

# Again Detroit Shows the Way

## Industrial Expansion Program in Full Swing

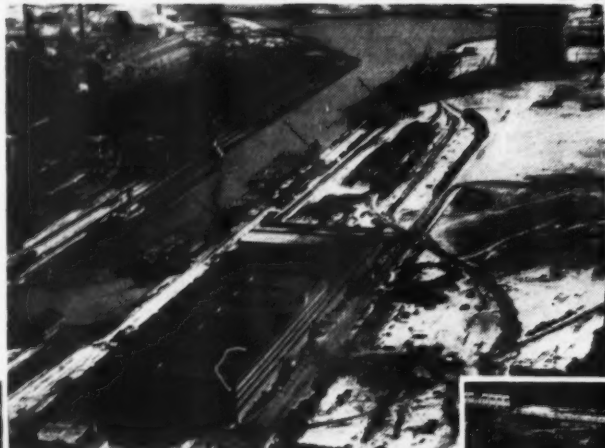


*Left:* The new Chrysler-Dodge unit of the Chrysler Corporation's \$2,500,000 expansion program. This unit will cost \$250,000, employ 4,000 workers and require \$4,000,000 in equipment.

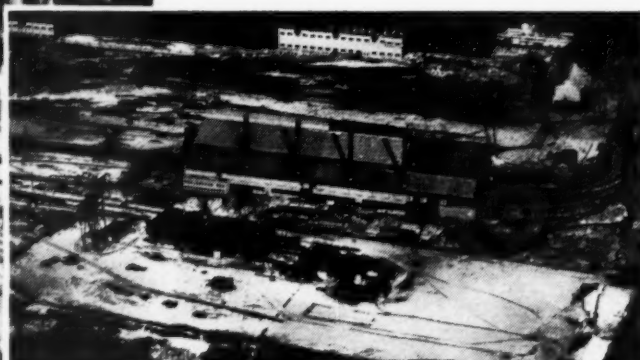
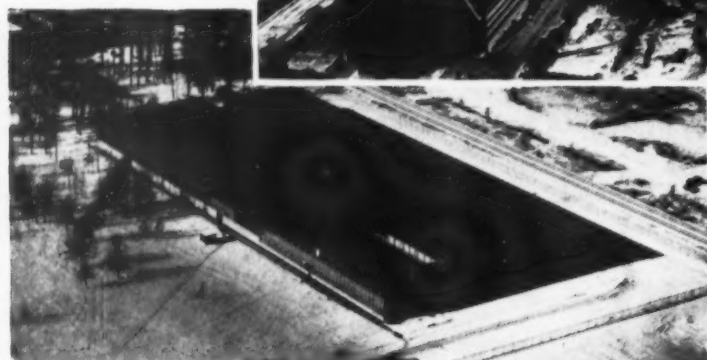


*Above:* The Briggs Manufacturing Company is hastening completion of this new \$3,000,000 unit for the manufacture of auto accessories.

*Right:* One of the new units in the Ford Motor Company's \$40,000,000 expansion program, now under way.



*Below:* The General Motors Corp. is constructing a new Diesel unit, one of the projects in this firm's \$1,500,000 expansion program.



*Photographs made from Detroit News Airplane*

## In Detroit 63½% of the Homes Taking Newspapers Regularly Read The News . . . 42.2% Take No Other Newspaper

What an important story these pictures tell! The story of a great market—America's third, judged by both payroll and personnel employed—rapidly growing greater by virtue of a gigantic industrial expansion program, now in full swing!

Think what that means in jobs, pay envelopes, purchasing power! Then think what it means to an advertiser in this market, to be in The News. For The News reaches 63½% of all the newspaper-reading homes in Detroit, by actual survey!

# The Detroit News

New York: I. A. KLEIN, INC.

THE HOME NEWSPAPER

Chicago: J. E. LUTZ



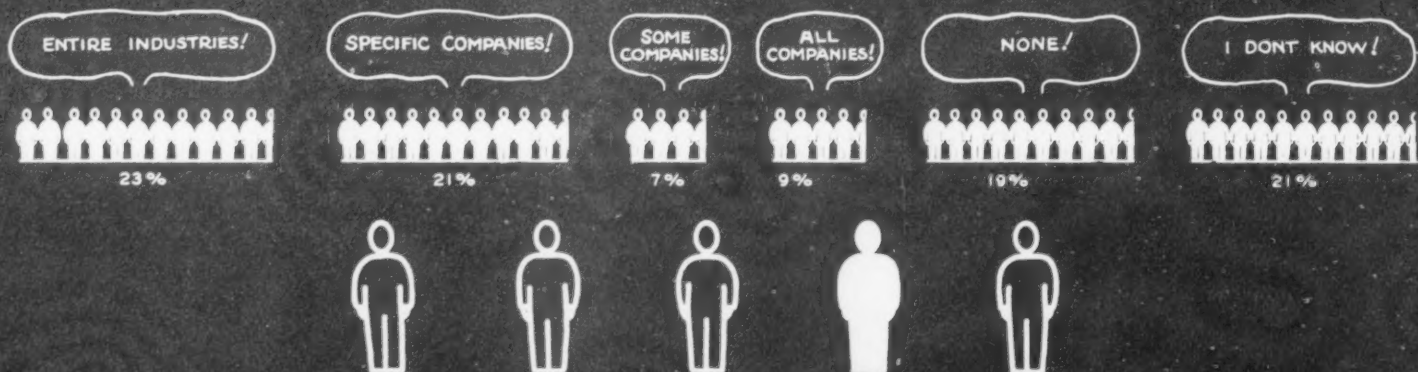
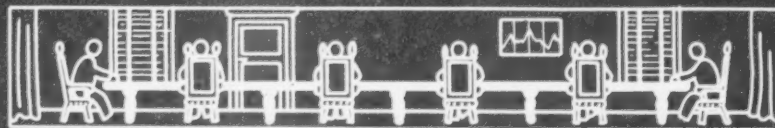
# Marketing

## PICTOGRAPHS

Planned by Philip Salisbury,  
Executive Editor, and designed  
by The Chartmakers.

### THE PUBLIC'S ATTITUDE TOWARD BIG CORPORATIONS

1,847 PEOPLE, COVERING ALL INCOME GROUPS, WERE ASKED "WHAT BIG CORPORATIONS DO YOU THINK DO MOST TO FOOL THE PUBLIC?"



PICTOGRAPH BY  
*Sales Management*

SOURCE: SURVEY IN 5 CITIES BY  
LORD & THOMAS, AUGUST 1937

### ARE SMALL BUYERS BEING SUBSIDIZED?

TO ACHIEVE EQUITABLE PRICE STRUCTURES UNDER ROBINSON-PATMAN BILL, SHOULD PRICES TO SMALL BUYERS BE INCREASED? HERE'S ONE MANUFACTURER'S COST ANALYSIS:

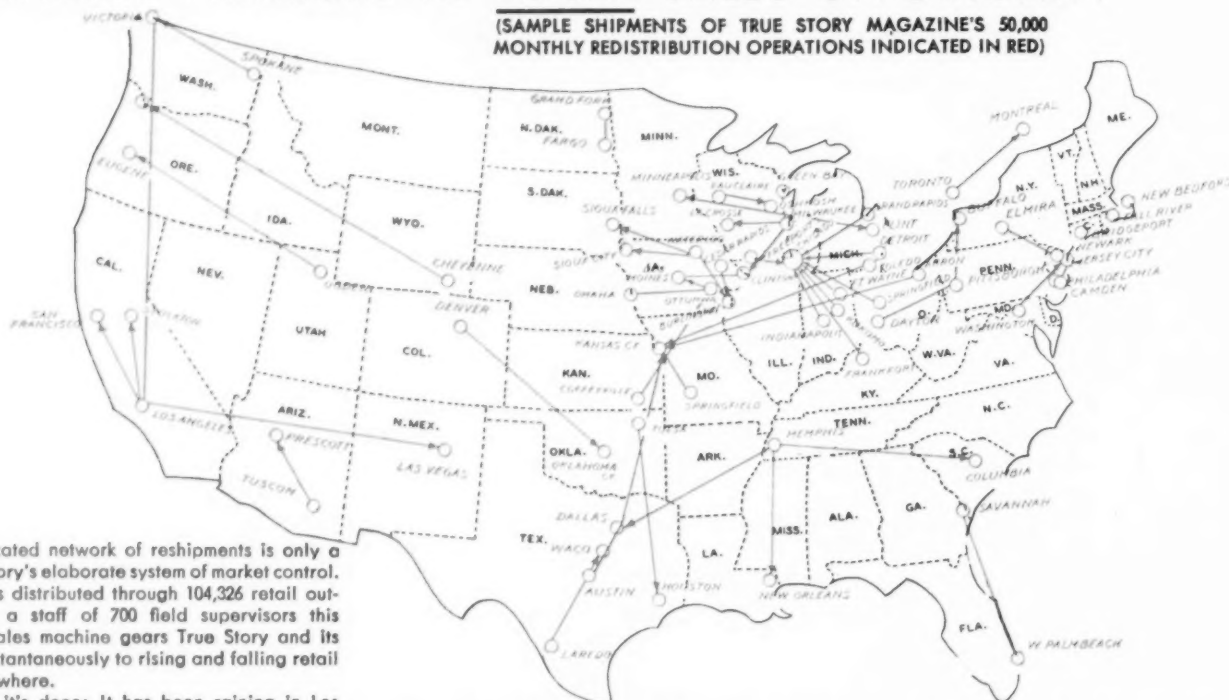
LBS. CUSTOMER BUYS WEEKLY	PER CWT. NET LOSS - PROFIT	PERCENT TOTAL CUSTOMERS	PERCENT TOTAL VOLUME
1-25	-\$2.35	7.6	2.1
26-50	-1.17	8.3	.7
51-100	-.53	12.0	1.9
101-150	-.06	9.3	2.4
151-200	+.10	7.8	2.9
201-250	.17	6.4	3.0
251-500	.31	17.1	13.2
501-1,000	.53	12.7	18.6
1,000-10,000	.57	1.7	43.7

PICTOGRAPH BY  
*Sales Management*

SOURCE: ANALYSIS OF SWIFT AND COMPANY SALES, EXPENSES AND NET RESULTS, DELIVERED AT AMERICAN MARKETING ASSOCIATION CONVENTION, DECEMBER, 1937, BY DONALD R. S. COWAN

# HOW TRUE STORY'S NEWSSTAND REDISTRIBUTION POLICY ADJUSTS ADVERTISING PRESSURE TO LOCAL SALES OPPORTUNITY

(SAMPLE SHIPMENTS OF TRUE STORY MAGAZINE'S 50,000 MONTHLY REDISTRIBUTION OPERATIONS INDICATED IN RED)



This complicated network of reshipments is only a part of True Story's elaborate system of market control. True Story is distributed through 104,326 retail outlets. Through a staff of 700 field supervisors this great retail sales machine gears True Story and its advertisers instantaneously to rising and falling retail markets everywhere.

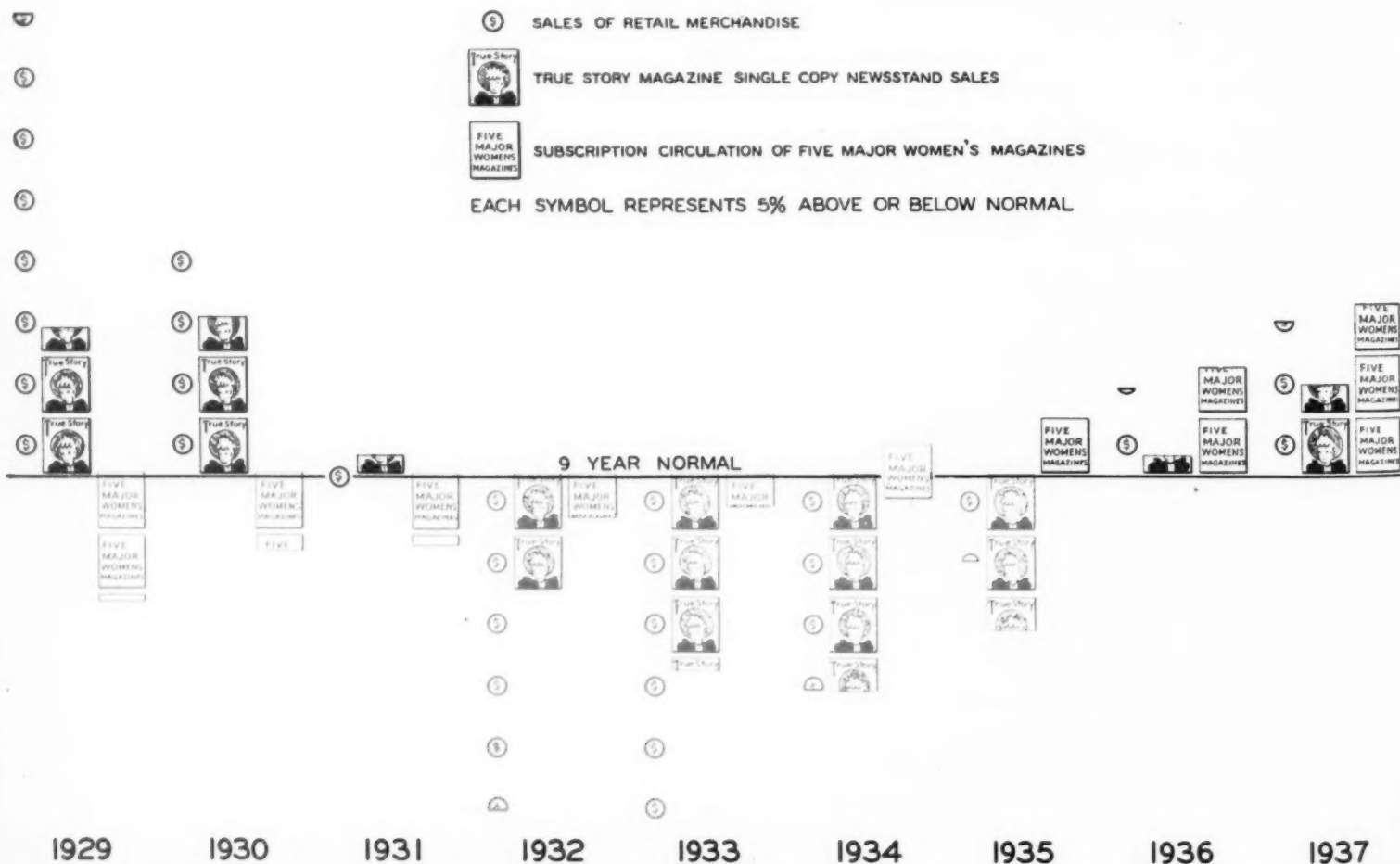
Here's how it's done: It has been raining in Los Angeles. The stores are almost empty. But in San Francisco, in Las Vegas, in Victoria, business is better. True Story's representatives lift thousands of copies from newsstands in Los Angeles and ship them to San

Francisco, to Las Vegas, to Victoria. Meanwhile sales of retail merchandise are soaring in Chicago. So copies are lifted out of Indianapolis, Frankfort, Kokomo, Toledo, Grand Rapids, Freeport, Detroit—

where selling is sluggish and reshipped to Chicago for concentration where buying is brisk.

Thus True Story adapts coverage for its advertisers almost daily as general sales opportunity itself shifts.

# HOW TRUE STORY'S NEWSSTAND CIRCULATION AUTOMATICALLY ADJUSTS ADVERTISING PRESSURE TO NATIONAL SALES OPPORTUNITY



Trends in subscription circulations, as this chart indicates, need bear no direct relation to trends in retail sales. But True Story Magazine, most of whose 2,200,000 circulation is actually sold at retail on the newsstands at the premium price of 15c a copy, automatically selects able-to-buy prospects—responds to fluctuating selling opportunity—increases total circulation when times are good—decreases it when

buying power and retail sales curves dip. The variation in advertising costs (you don't pay for what you don't get!) thus permits national advertisers to correlate their advertising expenditure among able-to-buy prospects with the existing sales potential. For example, as the chart above shows, retail sales declined steadily in 1930, 1931, 1932 and 1933. During these same years True Story's circulation declined

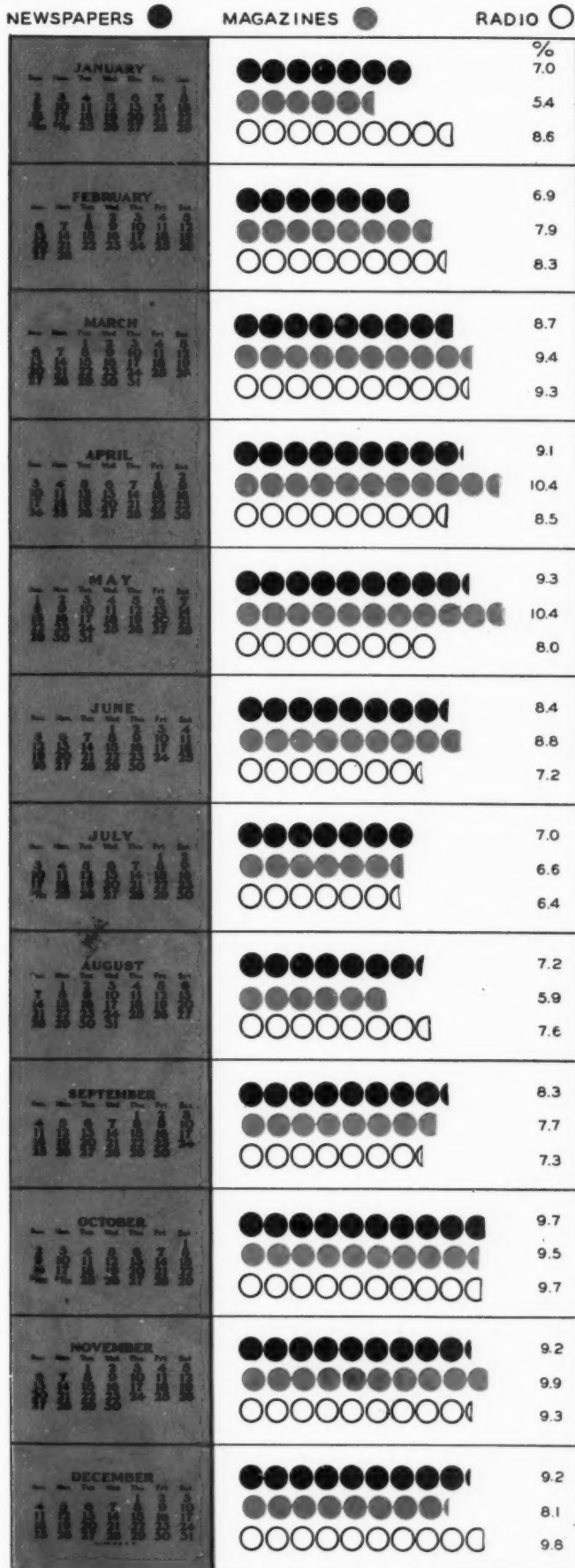
also and True Story's advertisers were rebated accordingly. But during the same period subscriptions circulation of five leading women's magazines gained steadily.

This is the way True Story constantly protects its advertisers against expensive coverage in times when sales cannot result in proportion—or missing sales opportunities when times are good.



# HOW ADVERTISERS SPLIT THEIR YEARLY BUDGETS

AVERAGES OF THE YEARS 1937-36-35

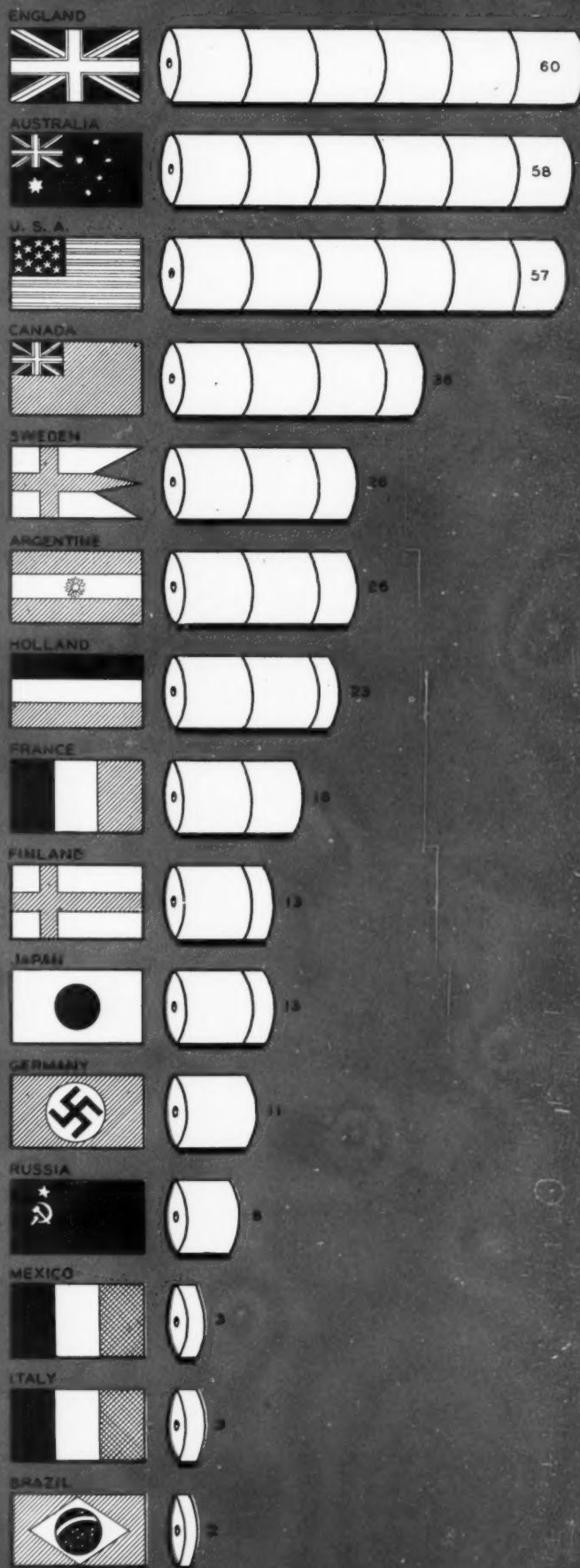


PICTOGRAPH BY  
*Sales Management*

SOURCES: DOLLAR FIGURES ON MAGAZINES AND RADIO NETWORKS FROM PUBLISHERS' INFORMATION BUREAU; NEWSPAPER LINEAGE RECORDS FROM MEDIA RECORDS, INC.

# NEWSPAPERS FLOURISH IN DEMOCRACIES

PER-CAPITA ANNUAL CONSUMPTION OF NEWSPRINT PAPER IN LBS.



SOURCE: NEWSPRINT SERVICE BUREAU ESTIMATES FOR 1936

PICTOGRAPH BY  
*Sales Management*



# BUSINESS

## Balance in Organization

In the Fafnir organization, customer-minded production men are balanced with production-minded sales engineers. The resulting team work provides customer service and cooperation of an unusual sort. And Fafnir executives spend much of their time in the field. Results: Fafnir's production schedules are geared to customers' needs. The minds of those who guide this Company harbor none of the under-stand that grows in men who are so far from their shipping rooms.

**FAFNIR BALL BEARINGS**  
THE BALANCED LINE — MOST COMPLETE IN AMERICA

## Balance in Design

In ball bearing design, ball size, race depth and ring thickness determine life and capacity. Fafnir's larger balls carry greater loads, make fewer revolutions per bearing revolution, with resultant longer life. Fafnir's deeper races also increase load capacity, and provide thrust capacity to a degree unusual in a radial bearing. Every Fafnir Ball Bearing has been developed to the point where high capacity and long life are inherent attributes of a perfectly balanced design.

**FAFNIR BALL BEARINGS**  
THE BALANCED LINE — MOST COMPLETE IN AMERICA

## Balance in Production

The balance of Fafnir production between standard and specialized ball bearings results in important advantages. Because of wide a range of types and sizes are standard items in the Fafnir line, engineering and production of specialized bearings can be limited to those where a definite departure from stock material is absolutely necessary. Yet, when required, these specialized bearings are more efficiently produced because of Fafnir's extensive experience with all types. That is why Fafnir engineering and production staffs are better able to handle all customers' demands for specialized applications. And that is how Fafnir brings down costs and speeds up service on specialized bearings.

**FAFNIR BALL BEARINGS**  
THE BALANCED LINE — MOST COMPLETE IN AMERICA

## Balance in Industry

Fafnir serves an extremely broad group of industries. The breadth of this customer-line is important in your production planning. It means, too, that Fafnir's staffs are conversant with the bearing problems of all industries. It means, too, that Fafnir's staffs will in no way after Fafnir's staffs balance maintenance between the various industries. Fafnir Company is at all times a serving company.

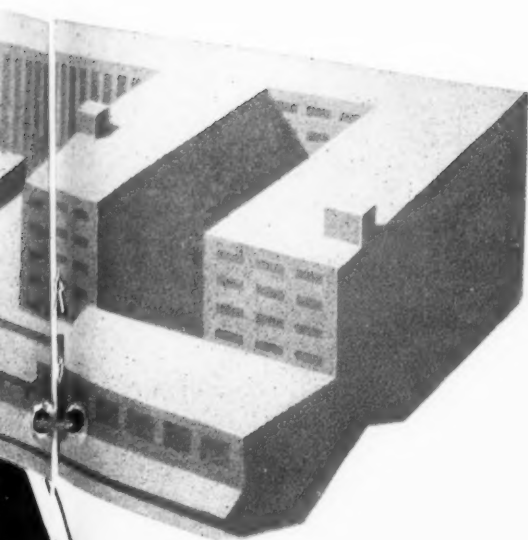
## No. 27 in a series

of discussions of TYPICAL JOBS GOOD BUSINESS PAPER ADVERTISING HAS DONE . . . prepared by advertising agencies of wide experience in the use of business paper space . . . sponsored by these outstanding business papers:

AMERICAN BUILDER  
& BUILDING AGE, Chicago  
BAKERS WEEKLY, New York  
BOOT AND SHOE RECORDER,  
New York  
BUILDING SUPPLY NEWS, Chicago  
CHEMICAL & METALLURGICAL  
ENGINEERING, New York

DEPARTMENT STORE ECONOMIST,  
New York  
ENGINEERING AND MINING  
JOURNAL, New York  
FOOD INDUSTRIES, New York  
THE FOUNDRY, Cleveland  
THE IRON AGE, New York

# PAPERS CAN SELL A *Character* AS WELL AS A PRODUCT



## Fafnir Campaign Turns To Expression Of Company Character In A Day Of Product Equalization

*Potent forces are at work in industry to-day . . . deep and constant research . . . machine production that approaches perfection . . . better and better raw materials available to every producer . . .*

Result: in many fields, products approach the "equalization" point, and a choice of source of supply rests more on the supplier's character, less on the differences between his and competitors' products . . .

The Fafnir Bearing Company feels that industrial executives are as much interested in the character of their bearing source as in the bearings themselves. So Fafnir chose a large list of business papers to tell the story of that character . . . in terms of customer-minded production men . . . production-minded sales engineers . . . a "friendly factory", the elements of whose personality are carefully balanced so that every factor will be favorable to the customer . . .

Comments received by Fafnir executives and field men justify the company's belief that *good business papers* offer the means of selling a supplier's character to the *people who count most* in purchasing for business and industry.

Among our clients, business paper advertising is a basic part of sales programs, receiving proportionate attention in the building of this agency's plans.

**LARCHAR-HORTON COMPANY**

*Advertising*

PROVIDENCE, R. I.

Industries Served  
broad group of industrial industries.  
service in many fields to your consideration  
that Fafnir's production and engineering  
in the bearing industry as a whole.  
after a reasonable examination of any industry  
Fafnir's ability to serve the remainder. The  
between the elements in such that The Fafnir  
is at all times using many industries well, never  
of others.

**ALL BEARINGS**  
COMPLETE IN AMERICA

HOTEL WORLD-REVIEW, New York

THE JEWELERS' CIRCULAR-  
KEYSTONE, New York

LAUNDRY AGE, New York

MACHINE DESIGN, Cleveland

MACHINERY, New York

THE PAPER INDUSTRY, Chicago

POWER, New York

RAILWAY ENGINEERING &  
MAINTENANCE, Chicago

SALES MANAGEMENT, New York

STEEL, Cleveland

**GOOD BUSINESS  
PAPERS**

**BUILD BETTER  
BUSINESS**

## HOW BIG-CITY FAMILIES SPEND THEIR INCOMES

FOR EVERY \$1 SPENT BY MEDIAN (\$2250 - \$2499) INCOME FAMILIES, OTHER GROUPS SPEND:

INCOME GROUPS      % OF FAMILIES STUDIED

\$ 500-\$ 999      6

1,000-1,499      14

1,500-1,999      18

2,000-2,249      10

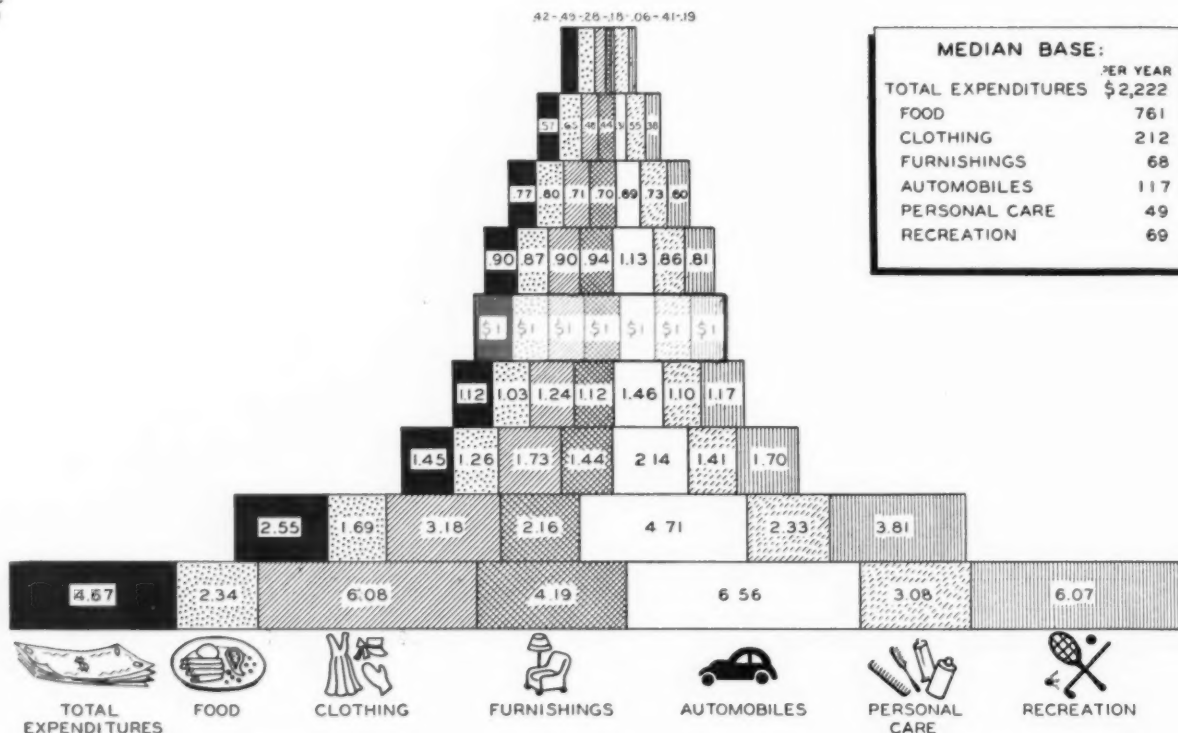
MEDIAN  
2,250-2,499

2,500-2,999      11

3,000-4,999      24

5,000-9,999      6

10,000 & OVER      1



MEDIAN BASE:	
	PER YEAR
TOTAL EXPENDITURES	\$2,222
FOOD	761
CLOTHING	212
FURNISHINGS	68
AUTOMOBILES	117
PERSONAL CARE	49
RECREATION	69

PICTOGRAPH BY  
*Sales Management*

SOURCE: INCOME AND LIVING EXPENSES OF NON-RELIEF NATIVE WHITE FAMILIES IN CHICAGO, 1935-36, FROM PRELIMINARY REPORT OF BUREAU OF LABOR STATISTICS.

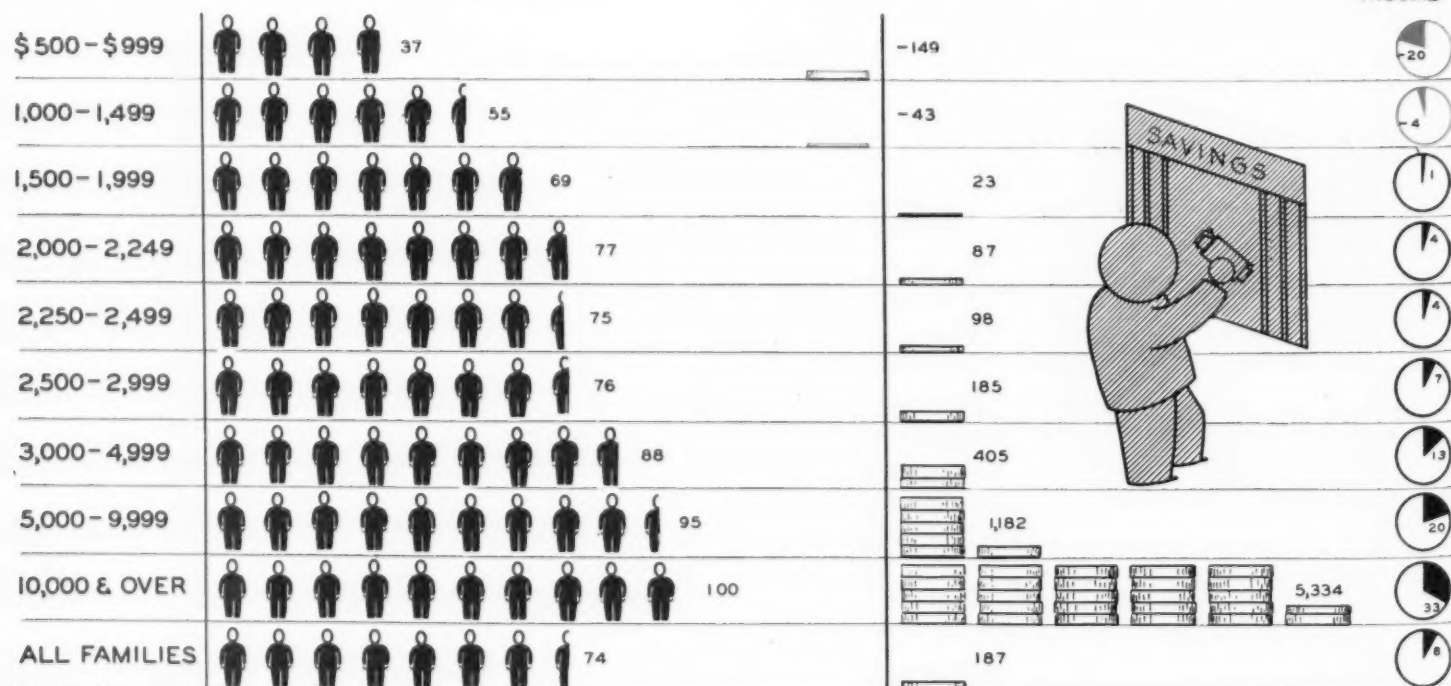
## 3 OUT OF 4 OF THESE SAME FAMILIES SAVED MONEY

"SAVINGS" AS DEFINED IN THIS SURVEY: A NET INCREASE IN TOTAL FAMILY ASSETS OR A NET DECREASE IN LIABILITIES

INCOME GROUPS      % REPORTING SAVINGS 1935-1936

NET SAVINGS OR DEFICITS (DOLLARS)

% OF MONEY INCOME



PICTOGRAPH BY  
*Sales Management*

SOURCE: INCOME AND LIVING EXPENSES OF NON-RELIEF NATIVE WHITE FAMILIES IN CHICAGO, 1935-36, FROM PRELIMINARY REPORT OF BUREAU OF LABOR STATISTICS.

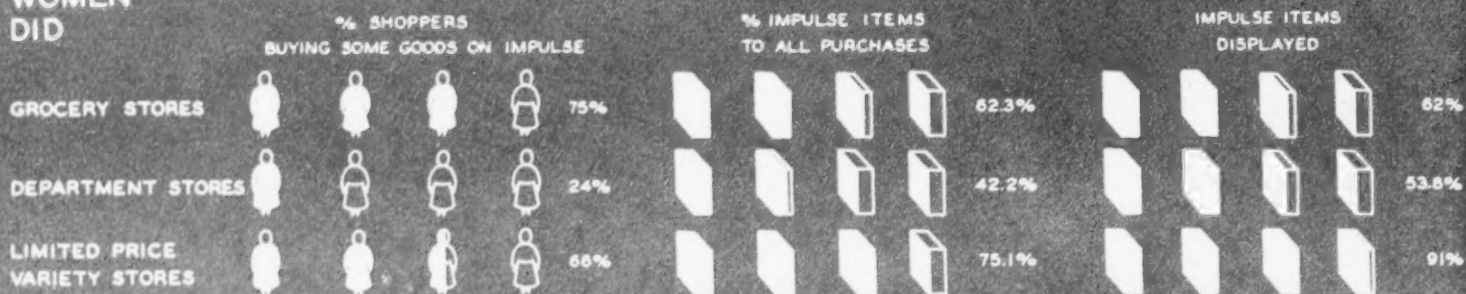




## IMPULSE BUYING: A STUDY OF EXTENT AND CAUSES

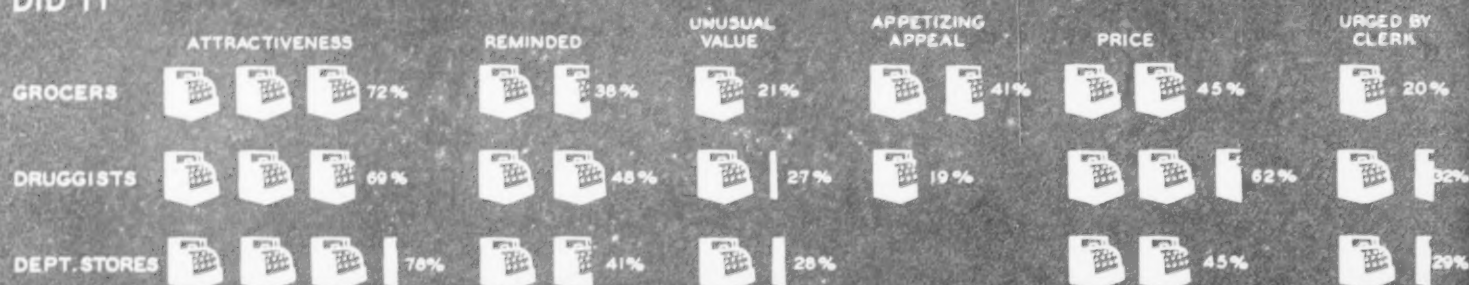
### WHAT WOMEN DID

TRAINED INVESTIGATORS WERE STATIONED IN STORES WHO ASKED WOMEN WHAT THEY BOUGHT AND WHY. THIS IS WHAT THEY FOUND:



### WHY THEY DID IT

THE INVESTIGATORS ASKED RETAILERS "WHAT CAUSES IMPULSE SALES?" THE ANSWERS REVEALED THESE PRINCIPAL CAUSES:



PICTOGRAPH BY  
*Sales Management*

SOURCE: SURVEYS AMONG 4,000 WOMEN CUSTOMERS AND 500 RETAILERS BY "CELLOPHANE" DIVISION OF E. I. du PONT de NEMOURS & COMPANY

## ARE MARKETS PLACES, or REALLY PEOPLE?

TO DETERMINE WHETHER LESS GOODS ARE CONSUMED AS WELL AS SOLD IN SMALLER COMMUNITIES, INVESTIGATORS INTERVIEWED 75% OF ALL FAMILIES IN LOGAN, OHIO, A CITY OF 6,000, FIFTY MILES FROM COLUMBUS, AND ASKED THEM "WHERE DID YOU BUY THE LAST (NAME OF COMMODITY) YOU BOUGHT?"



CONCLUSION: STOCK YOUR MERCHANDISE WHERE PEOPLE BUY...  
ADVERTISE TO THEM WHERE THEY LIVE

PICTOGRAPH BY  
*Sales Management*

SOURCE: "TRAFFIC FLOW AND SHOPPING HABITS", BY RESEARCH DEPARTMENT OF McCALL CORPORATION

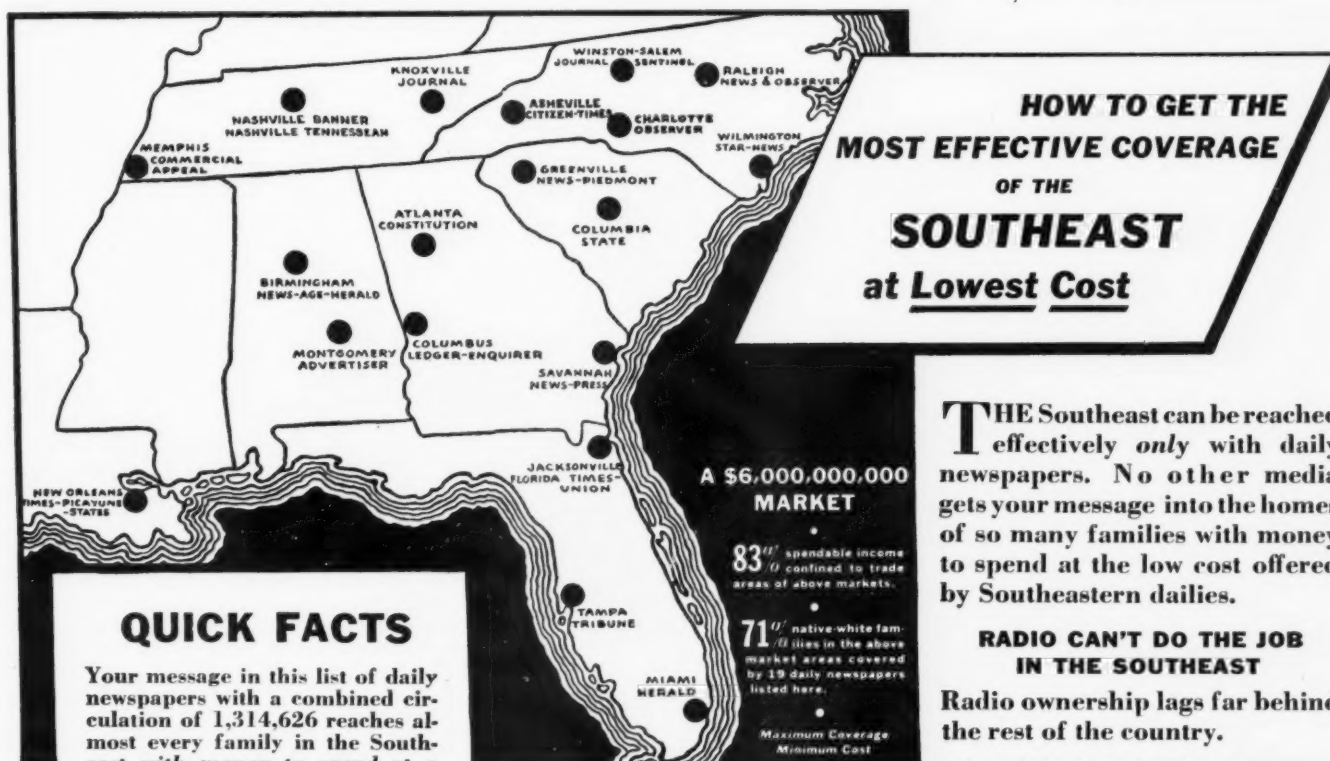
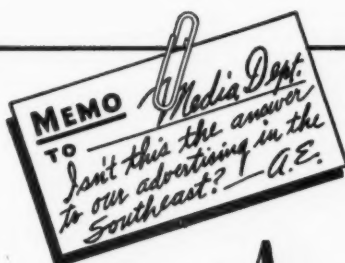








# An Important Announcement to Advertisers and Advertising Agencies



## QUICK FACTS

Your message in this list of daily newspapers with a combined circulation of 1,314,626 reaches almost every family in the Southeast with money to spend at a combined rate of only \$3.09 per line.

You can cover the worthwhile buying power in the Southeast with a:

**5,000 line schedule for only \$15,450**

**10,000 line schedule for only \$30,900**

Duplication is negligible.

Economists rank the Southeast today as one of the best business markets. Total buying power exceeds \$6,000,000,000. The recession has not been felt in this territory to anything like the extent of other sections of the country.

Advertisers will find it most profitable to cultivate this market now.

## ARE YOU GETTING YOUR SHARE?

Partial Retail Sales Southeast—1935

Food Stores . . .	\$573,354,000
Department Stores & Specialty Shops . . .	554,738,000
Drug Stores . . .	120,863,000
Automobiles . . .	440,076,000
Filling Stations . . .	204,691,000

You can reach

**1,314,626 Native White Families**

(The Real Buying Power of the Southeast)

**by these 19 Daily Newspapers at a Combined Rate of**

**\$3.09 PER LINE**

**Maximum Coverage Minimum Cost**

For full information, write any one of the daily newspapers, or Southern Newspapers, 1109 Mortgage Guarantee Building, Atlanta, Georgia.

**T**HE Southeast can be reached effectively only with daily newspapers. No other media gets your message into the homes of so many families with money to spend at the low cost offered by Southeastern dailies.

## RADIO CAN'T DO THE JOB IN THE SOUTHEAST

Radio ownership lags far behind the rest of the country.

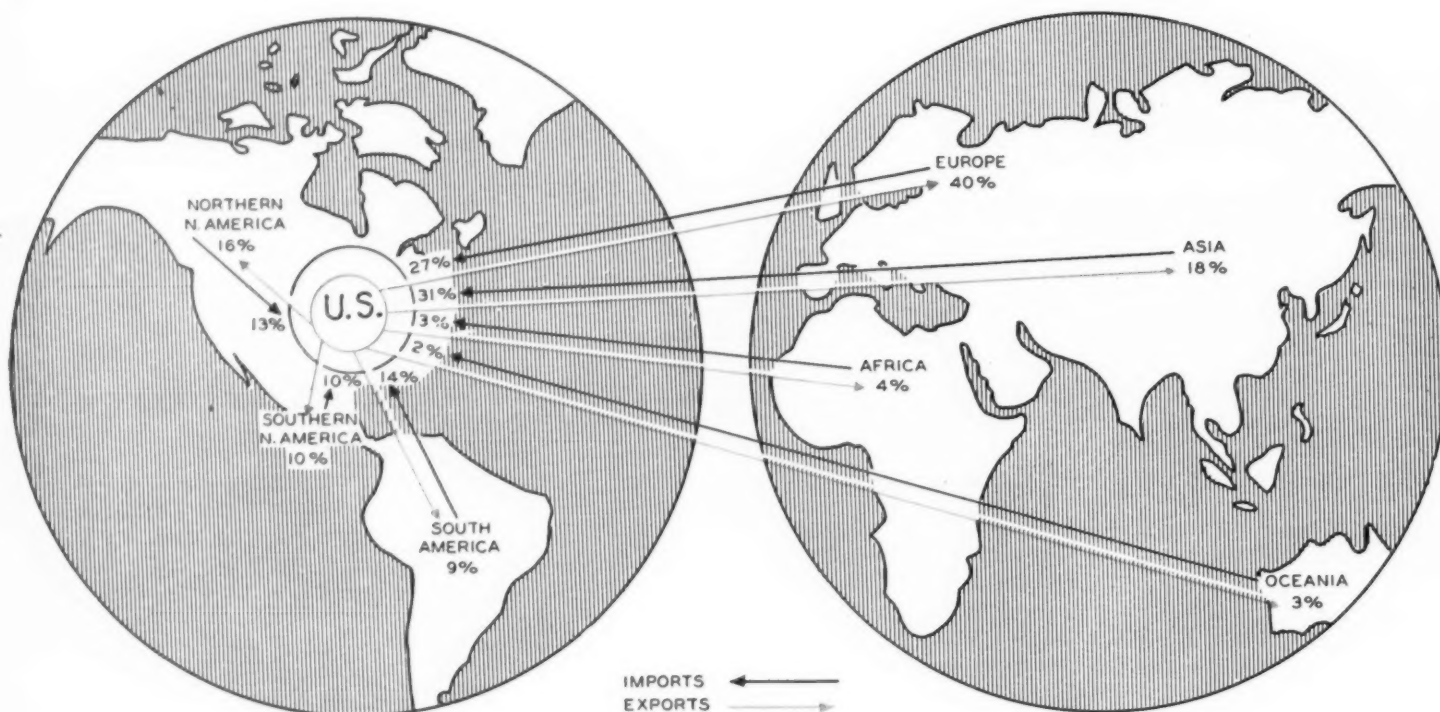
## NATIONAL MAGAZINES CAN'T DO THE JOB IN THE SOUTHEAST

Published figures show coverage of national magazines is too sparse and scattered.

Over 83% of spendable income and over 75% of total retail sales are confined to the nineteen markets shown on the map and the trading areas (A. B. C. radius). In these markets where the wealth and buying power of the Southeast is concentrated, over 71% of the native white families are reached by the Southeastern dailies listed here—the most effective coverage of the Southeast at the most economical cost.

## WHERE IS OUR EXPORT TRADE?

DURING 1937 OUR FOREIGN TRADE INCREASED 34% OVER 1936, AND EXPORTS EXCEEDED IMPORTS BY 8%. THE COMMERCE WAS DIVIDED IN THIS WAY:



## DO TRADE TREATIES HELP EXPORTS?

TOTAL 1937 INCREASE IN EXPORTS 36%



EXPORTS TO RECIPROCAL TRADE TREATY COUNTRIES INCREASED 41%



EXPORTS TO REST OF WORLD INCREASED 33%



PICTOGRAPH BY  
*Sales Management*

SOURCE: DIVISION OF FOREIGN TRADE  
STATISTICS, DEPARTMENT OF COMMERCE

## THESE ARE OUR EXPORTS

FOOD STUFFS



RAW COTTON



AUTOMOTIVE



OTHER CRUDE MATERIALS



MACHINERY



SEMI-MANUFACTURES



OTHER FINISHED MANUFACTURES





## Some Comments on the Pictographs in This Issue

**The Public's Attitude Toward Big Corporations:** Your business isn't what *you* think it is—it's what the public thinks it is. This pictograph, made from a Lord & Thomas survey, will be supplemented by another from the same survey in the April 1 issue. **Are Small Buyers Being Subsidized?**—If you analyzed your business the way Swift & Co. analyzed theirs you might find that your price structure was all wrong, that certain types of customers were being charged too much and others too little.

**How Advertisers Split Their Yearly Budgets:** Here's a composite picture of the way national advertisers as a whole break their expenditures in the three types of media between months. How does it compare with your split-up? Fifty million Frenchmen *can* be wrong and this composite advertising budget doesn't correspond closely to the division of the nation's income by months. **Newspapers Flourish in Democracies:** This pictograph may not have any great business significance, but the editors found the information interesting and couldn't resist the temptation to put it in picture form.

**How Big-City Families Spend Their Incomes, and 3 Out of 4 of These Families Saved Money:** This shows the enormous spread which exists in the ability of families in different income levels to buy your merchandise. Compare this picture of big-city families with the February 1 pictograph on how small-town folks spend their incomes. The spread in the big cities is several times as great.

**Impulse Buying:** This pictograph should answer a question which, judging from the editorial mail, puzzles a great many marketing executives. It definitely measures the importance of having your merchandise prominently displayed in retail stores. **Are Markets Places or Really People?**—Census of Distribution figures, and especially when reduced to per capita form, are misleading as to the consumption of goods in smaller communities. Census figures show where people buy, but they do not show where the people live who make the purchases.

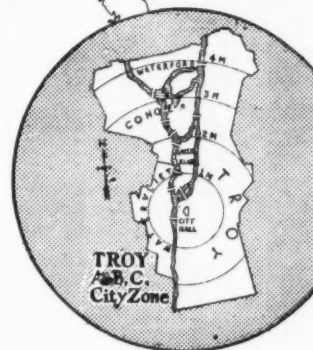
**Where Is Our Export Trade?**—The three pictographs on this page trace the origin of our imports and the destination of our exports. The 1937 figures indicate that Secretary Hull's reciprocal trade treaties are bringing results.

# 27 TROYS



© American Map Company, Inc.

Only ONE  
of them is **BIG**



Scattered over the country are 27 Troys. Some are pleasant rural places, others bustling manufacturing towns. "Only one of them is big," says a prominent business magazine,\* "but, together, what a market they make!"

Yes, and what a market that BIG Troy—Troy, New York—makes!

Perhaps that BIG Troy is a greater sales source for your products than you estimate: within the 3½-mile radius of its A.B.C. City Zone lie Watervliet, Green Island, Cohoes and Waterford, giving it a total population of 119,324, an annual grocery bill of \$11,356,000, more than 24,000 passenger autos, total retail sales in excess of \$38,896,000 yearly.

And what a market THIS makes of Troy!—Blanket coverage is only 12¢ a line because The Record Newspapers, the city's sole dailies, reach "everybody." Troy is the Empire State's lowest cost major market.

\* Name on request.



32,645 A.B.C.  
Sept., 1937, Audit

BY  
M. S. SULLIVAN

We think of fish products as being highly seasonal in character, yet Gorton-Pew Fisheries have for years advertised every month, and have achieved a sales curve which is without violent peaks and valleys. That advertising, limited mostly to newspapers, played a big part in pulling the company out of the red ink of an old receivership during which advertising had been discontinued altogether.



**339,661,841**  
**SEPARATE ADVERTISEMENTS**  
including color smashes  
**PUBLISHED IN NEWSPAPERS**

**QUICK FACTS FOR KEEN BUYERS**

1. Featured advertising campaign on Gorton's Sea Foods began Sept. 1st, extends to April 1st, 1935.
2. Advertising appears every week throughout that period — a total of 139,661,841 separate advertisements in leading newspapers.
3. Page and half pages in full color, which alone will do an \$1,125,000 message in newspapers.
4. All advertisements published in newspapers for local shopping appeal, quick sales action, to give local sales for the local dealer.
5. All advertising appeals based upon pre-tested advertising, proven effective.
6. Quick-selling and steady repeating leaders featured throughout.
7. A smash-hit campaign to produce more sales, more profit for you.
8. Products so delicious, healthful and easy to use, and which may be served in so many ways that they make fish about a new discovery.

**Gorton's famous SEA FOODS**  
GORTON-PEW FISHERIES CO. LTD. GLoucester, MASS.

## Concentrate in Peak Seasons or Advertise the Year Around?

**E**ACH year for the past several years, Gorton-Pew Fisheries, Ltd., Gloucester, Mass., have sold more than \$3,500,000 worth of Gorton's fish products. In this company advertising has carried a bigger-than-ordinary share of the sales burden; in fact, advertising helped materially in restoring the company to prosperity after a collapse in which it all but expired. Therefore, the advertising policies of Gorton hold an unusual degree of interest.

The organization dates back to 1849—nearly 90 years. It was early in 1920 that the Gorton-Pew statement came out showing a loss for the first time in 15 years. The banks declined to refinance and insisted upon installing some efficiency experts to run the business. This was a most unfortunate move for the company, and, after two years of that regime, receivers were appointed.

In the early days of the receivership all the advertising was discontinued, but, as time went on, the courts approved a \$16,000 appropriation. The public forgets even an old-established

name like Gorton with remarkable ease and rapidity, and even under the trying conditions which existed it was felt that something had to be done to keep that name alive and preserve the good will attached to it.

After the receivership was discharged, the yearly appropriation was stepped up until, at the present time, the budget runs anywhere from \$180,000 to \$225,000 a year, almost all of which is spent in newspapers. Gorton's first substantial consumer acceptance had been built through the use of newspapers and the company has remained loyal to the medium through the years.

People eat fish every week in the year, Gorton found; larger amounts in some weeks, to be sure, but in sufficient quantities to warrant year-around newspaper advertising schedules. Advertising 52 weeks of the year has evened off the sales curve for the company, to a large extent, eliminating the violent peaks and valleys which many marketing men might guess would characterize such a business.

An executive of the company expresses the opinion that, without weekly advertising, sales would perhaps be concentrated in two periods, pre-Lenten and Fall seasons, with a serious drop between those periods. However, weekly advertising has been used over a period of many years, and it is difficult to tell just what the situation would be had the company resorted to advertising only during the major fish-eating seasons.

Size of advertisements, however, is so planned as to increase in size with the size of the seasonal market. In the biggest season, the pre-Lenten period, the metropolitan newspapers run half- or full-pages in color, and black and white advertisements of 750 lines, the latter size being run in all newspapers at that time. During the second largest season, the Fall period opening just after the first of September, 300-line copy is used, and during the slackest season, from April 1 to September 1, and during the Winter, 70 lines are used. When a salesman visits a dealer and shows him reprints of the advertising, with

SALES MANAGEMENT



its weekly schedule, he is using one of the company's most powerful sales weapons.

In many areas distribution has been worked up to more than 90%. In the New York City area it is said to reach nearer 100% than almost any other food product.

Gorton products are sold to approximately 50% of the national market. Distribution is accomplished through brokers who sell grocery wholesalers and their own retail and jobbing trade. Jobbers have direct contact with chain stores.

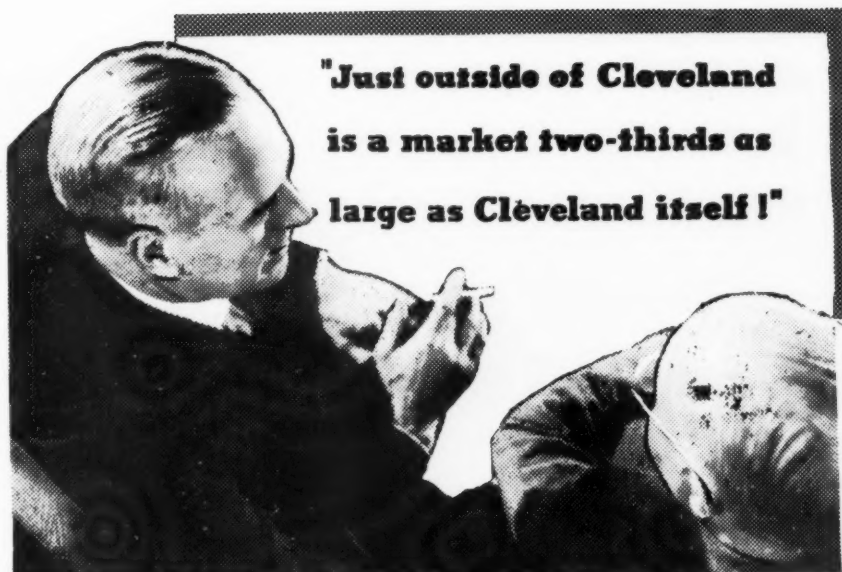
Gorton missionary men visit retailers to describe the company's advertising plans, to install display materials, to talk over various business problems, and to assist as general business advisors. A growing trend, according to company executives, is the lessened need for such missionary men, due to the establishment of so many voluntary chains with consequent better merchandising and more efficient management.

### Opening a New Market

A new market is added only after serious consideration of all affecting factors. Detailed surveys compile data on what seafoods are popular in the area, source of supply, number of dwelling houses, number of families, buying power, total population, etc.—factors that, together, present a reliable picture of sales potentials in that area. These are considered in respect to current and probable future economic conditions in the territory.

If a market is opened, Gorton insists upon getting more than 60% distribution before starting any consumer advertising. This is accomplished by showing the consumer demand established in developed markets and by offering a weekly schedule when distribution to the 60% point is reached. (Interesting to note is the fact that it costs the company only about one-third as much to open a new market where much fish has been eaten as where it is relatively unused—presumably because people have developed a natural liking for it.)

While the company produces 30 products, codfish is the biggest seller, followed closely by codfish cakes, and these two products are used as leaders in all advertising, with the remaining 28 carried subordinately. Some of Gorton's products are highly localized, that is, they are made to appeal to the tastes of people in certain localities, with small demand in other areas. Such a product is chowder, made in three different styles: Two clam chowders (one a New England



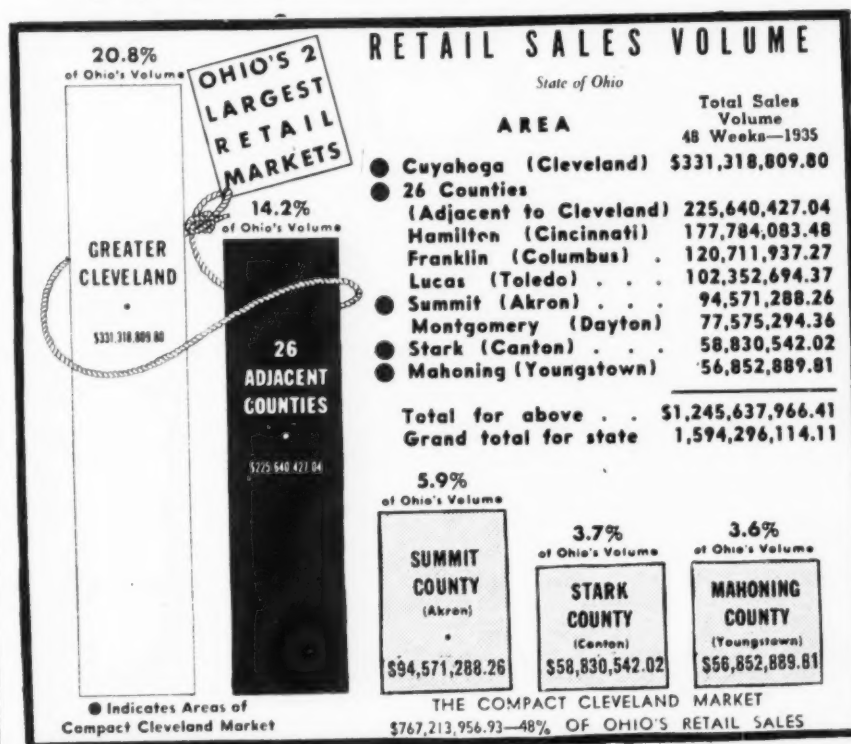
## ONE NEWSPAPER

*Sells Ohio's 2 largest markets*

Few realize that one of America's major markets lies just outside Cleveland. Yet sales tax figures prove that the 26 counties surrounding Cleveland (not including Akron, Canton or Youngstown) form the *second largest market in Ohio*! It is a market that is exceeded only by Cleveland—Ohio's largest market.

You include the immense buying power of these 26 counties when you use the Daily Plain Dealer to cover Cleveland. You reach the two largest markets in Ohio—containing 35% of the entire state's retail sales—through this one newspaper alone.

You'll want the complete story. Write us or your advertising agency—or John B. Woodward, Inc.—today.



**CLEVELAND  
PLAIN DEALER**



style and one a Manhattan style) and one fish chowder. To feature such products locally, the newspaper advertising policy works excellently.

In respect to new products, Gorton has a policy, more or less flexible, of marketing one new product each year as a means of keeping the line complete, and maintaining consumer appeal and trade interest. New products, such as Fishroyl, the latest on the market, are featured in newspaper advertisements, direct-mail pieces giving recipes for the use of the product, and store demonstrations, and are then tied in a subordinate way to all future advertising and promotion.

Store demonstrations are used only in the largest retail outlets where traffic is heavy. While these are featured for the better part of a week, the company finds that the last three days of the week, producing the most traffic, are the most productive.

Demonstrators serve samples of hot fish cakes and two kinds of chowder while other products are served cold with crackers. These demonstrations have been instrumental in boosting sales very materially during their run and more or less permanently thereafter. One retailer reports that one of these events almost tripled his Gorton sales for the week, and brought

a permanent increase of nearly 30%.

New products are marketed only after one or more years of experimentation in the laboratory, in production, and finally as to consumer appeal. In the case of codfish cakes, pre-testing was done to determine whether or not people liked the proportion of potato to codfish, whether they would like more potato or more fish.

And there was the question of salt. Consumers were asked if the cakes tasted salty enough or too salty. The final question was what they would be willing to pay for such a product.

In the past ten years more than a million recipe books have been issued to consumers. The new edition is being offered in return for the label from any Gorton product, and the company plans to place this book in retail grocery outlets where it may be seen by housewives.

Gorton furnishes many free dealer helps. A current floor display pictures a fisherman at the wheel of his boat. A cellophane window shows an illustration of the ocean—with fish in it, of course—and a lamp arrangement at the rear of the unit illuminates this ocean scene attractively. The display plays up the company's codfish and codfish cakes, with other products greatly subordinated.

between morning and evening circulation is not in itself enough to matter. The morning paper carries a well-known cigar account—"because it's a morning-paper list."

For years the evening paper reps got nowhere with commonplace statistics. Then someone possessed of a lot of horse sense threw the book out the window and did some straight thinking on fundamentals. Here's how it looked to him:

"Cigars are smoked by men. Women young and old are waste circulation. In this city there are about 100,000 stenographers, shop girls, etc., going downtown to work every morning. They mostly all buy a morning paper but they're waste circulation for a cigar manufacturer. So my morning-paper competition now has 325,000 useful readers compared to my 300,000.

"But in this industrial city about 150,000 workmen drive to work between 7 and 7:30 a.m. Very few of these workmen buy a morning paper, yet they are all prospects for cigars. *In this group is the key to the morning-evening controversy. For the 100,000 stenos (who are waste circulation for a morning paper) mostly all buy an evening paper and take it into the homes of the workmen (not covered by the morning paper).*

"Common sense and your own observation confirm the essential correctness of these deductions. You see the early morning stream of workmen speeding out to the industrial district, and your observation tells you they can't read the paper while they pilot the old bus through traffic. You see the shop girls and stenographers carrying the evening paper home, and you know these homes are mostly the homes of workmen. Because shop girls and stenographers for the most part are workingmen's rather than executives' daughters."

Neatly documented with local census data, figures from the transportation companies, surveys of workmen's autos parked at industrial plants, and other pertinent facts, this slant on morning vs. evening gave the evening-paper rep a wholly new approach to cigar accounts.

It is cited not as a panacea but as an example of creative interpretation of trite statistics in the sale of space. Or perhaps it is a veiled plea by a weary space-buyer for more imagination and less exhortation in the sale of morning and evening papers.

After all, the half-wit boy found the lost horse by thinking "where would I go if I were a horse?" He went there and sure enough that's where the horse went, too!

## Imagination vs. Statistics in the Sale of Advertising Space

Mr. Brass E. Tack's sparring partner has some remarks of his own on the subject of handling clients with "all-morning" or "all-evening" paper preferences.

BY AGENT K-79\*

"**M**ORNING papers are bought by people on the way downtown where they can buy your product that very day."

"Evening papers are carried home to be read by the whole family who must all be sold on your product."

Every buyer of advertising has heard the moth-eaten fundamentals of the morning-evening controversy. He has a big book that gives milline rates, distribution of circulation, and a lot of other pertinent data. He also has had considerable exposure to the unimaginative recitals of trite statistics by plodding representatives. As an easy out, which at least cuts the fruitless argument in half, he makes it an

"evening-paper list" or a "morning-paper list."

Brass E. Tacks objects—and rightly so. That is a helluva way to spend advertising dollars. Yet you will remember Brassy offers only the overwhelming statistical superiority of his papers, which leaves the buyer cold—and rightly so. What Brassy needs is a liberal dose of imagination—the ability to see his statistics in terms of the actions of people and their resultant effect on the fortunes of a particular advertiser. Let me illustrate.

In a certain city there is a good morning paper with about 500,000 circulation, and a good evening paper with about 300,000 circulation. The morning paper puts about 75,000 copies downstate, with a thin coverage of scattering towns within 250 miles. In the city and suburbs the difference

\* Agent K-79's first and second replies to Brass E. Tacks appeared in SM for December 1 and February 1.

## "Melody Puzzles" Proves a Hit Tune for Lucky Strikes

American Tobacco Co.'s Lucky Strike "Melody Puzzles" radio program is winning audience participation comparable to the Lucky "Hit Parade Sweepstakes." Since its introduction January 10 on the NBC-Blue network, over 175,000 listeners have submitted "Melody Puzzles." The former "Sweepstakes," at its height, drew 7,500,000 entries a week.

In four days of its fifth week (the latest figures available) more than 40,000 "Puzzles" were submitted. Scripts contain the concealed name of a current song hit. A dramatic cast puts the sketch on the air, and members of the studio audience are called forward and asked to detect the hidden title. Harry Salter's orchestra plays the song after it is named correctly.

Successful detectives from the audience receive \$10 and a carton of Luckies. Authors of the skits receive \$25. If the title is not guessed correctly, everyone in the studio audience wins a package of Luckies.

Lord & Thomas, the agency in charge, explains that the "Melody Puzzle" idea originated on the West Coast last September as a sustaining feature. An L & T representative heard it there and suggested it would be a smart stunt for Lucky Strike. Station WOR, Newark, carried the first "Puzzle" in the East under Lucky sponsorship on November 2. NBC's Blue network was added in January. Now it is on the latter only.

Requiring far more effort and ingenuity than the "Sweepstakes," the "Puzzles" submitted by listeners are snowballing in volume in a way that is highly satisfactory to L & T and Lucky. After each weekly broadcast, entries have poured in. Some weeks they have doubled in number. The program will be continued indefinitely.

## Black & White Scotch to Use 124 Papers, Magazines

Fleischmann Distilling Corp., N. Y., now U. S. distributor of "Black & White" Scotch whisky, produced by James Buchanan & Co., Glasgow and London, starts today a campaign in 124 newspapers throughout the country.

March issues of *Collier's*, *Life*, *Time*, and the *New Yorker* will also carry copy prepared by L. H. Hartman agency, N. Y. Billboard coverage will be added later. "Character" will be the theme.

MARCH 1, 1938

## DICTAPHONE ANNOUNCES

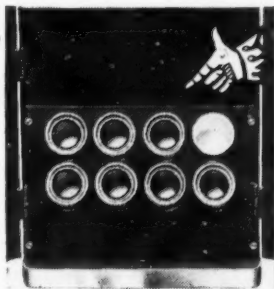


the New  
**PROGRESS CABINET**  
with  
automatic dictation folder

**D**EDICATED to business men who want to get things done more smoothly and swiftly, the Progress Cabinet is more than a brilliant achievement in modern design. Beyond mere eye appeal, you will find in it many new features for off-the-desk use which increase the ease with which your thinking is turned into action.



**Automatic Dictation Folder.** (Left) Convenient built-in compartment for dictated material. As each folder is removed the next one automatically drops into place.



**Plenty of Cylinders** (Right) right at hand so that you may Dictaphone your ideas while they're hot—handle the day's routine as it occurs.

**Good News for Secretaries.** The secretary's Dictaphone is also available in the handsome new Progress Cabinet. Nuphonic Reproduction and the Duplex Foot Control combine with the Cabinet's convenience features to make transcription easy.



**It's Modern** and always available. While your secretary protects you from telephone intrusion and personal calls you double your ability to get things done.

**Note:** There is only one true Dictaphone—and it is made exclusively by Dictaphone Corporation at Bridgeport, Conn. We invite your inquiry.

Dictaphone Sales Corporation, 420 Lexington Avenue, N. Y. C.  
In Canada—86 Richmond St., West, Toronto

☐ I should like to talk with someone about the loan of a Dictaphone in the new Progress Cabinet at no expense to me.  
☐ Send further information about Dictaphone.

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_

The word DICTAPHONE is the Registered Trade Mark of Dictaphone Corporation. Makers of Dictating Machines and Accessories to which said Trade Mark is Applied.



# "SMILEAGE" TEST

OUTSIDE AGENCY CONDUCTS TEST

BY "BETTY" AND "BILL"

THANK YOU  
COME IN  
AGAIN

"COURTESY"

"Betty" and "Bill"  
will visit YOUR STATION

YOU'LL NEVER  
KNOW THEM

FOUR WAYS TO PASS "SMILEAGE" TEST EVERY DAY

1. SMILE

2. SERVICE

3. INTEREST

4. COURTESY

NO TROUBLE  
AT ALL  
BARTLET

YOU'LL LIKE YOUR  
NEW CAR,  
MRS. JONES

YES, SIR,  
WHAT CAN  
I DO FOR  
YOU?

Every day during the month of August, "Betty" and "Bill" will be out visiting Sinclair dealers. They'll drive in the name of hundreds of motorists who drive in during the campaign. They may be young, they may be old, they may drive no right equipment car or one of the latest new models. You'll never know who they are and neither will "Betty" or "Bill" at all.

Whenever anyone stands at the station will be invited on the four points above and the dealer will be "rated" accordingly. Therefore, every customer ought to be instructed on the four points in the "Smileage Test" and every station ought to give the kind of attention that will make people agree that "they also like very much to be visited by Sinclair dealers".

Pass the Test and Win a Prize - Look Inside

This broadside announced the impending "smileage test" to station operators.

## Sinclair Sales Rise When Advertising "Pull" Is Supported by Dealer "Push"

**M**ORE and more companies are coming to realize that getting maximum results through advertising programs is a two-way job. It is not enough to pull potential buyers into their places of business; there must be a strong enough push behind the dealers to induce them to make an aggressive and intelligent effort to close the sale. Many excellent campaigns have failed to get maximum results because of an indifferent attitude on the part of dealers and their failure to recognize their responsibility in the campaign.

Following two very successful consumer advertising campaigns in which hundreds of thousands of motorists were pulled into Sinclair dealers' stations, field men reported that dealers were only "lukewarm" on the idea. Failing to recognize that the company's advertising had done its job when a motorist was pulled into the station to get a "Contest Entry Blank," as suggested in their radio advertising, there were dealers in all sections of the country who permitted hundreds of motorists to get away without even making an attempt to sell their products. Thus innumerable potential sales which dealers might have made, had been lost.

Recognizing this fact, the Sinclair Refining Co. decided to conduct a "test" activity in the Chicago area to determine what would happen if a definite effort was made to arouse the dealer's enthusiasm and get him to

Something to Be Cherished: To the owner of every station which was awarded a prize for passing the "smileage test" went a congratulatory letter from A. H. Sus, manager of Sinclair's central district. The personalized commendation proved one of the most popular facets of the campaign. One operator was so pleased that he had a blow-up of the letter made for posting in his station!



realize his responsibility in a plan aimed at the consumer. During the period it was operated, the division, which included the Chicago area where the campaign was conducted, was the only division out of five in the country where an actual increase in gasoline and oil sales was shown.

With the dealer in mind from the very start, the consumer advertising was built around the "man at the pump." Full-page newspaper ads were developed around the idea of "You'll Like the Way Sinclair Dealers Treat You." Each ad featured actual photographs of Sinclair dealers.

During the campaign the picture of every dealer in the Chicago area appeared in the papers.

The plan to get dealers to hold up their end by rendering friendly and

"Smileage Test" induces station operators to follow-through in cashing potential demand created by radio and newspaper advertisements. Humorous angle wins hearty cooperation from both dealers and attendants.

enthusiastic service that would make motorists say to themselves, "I like the way they treat me at Sinclair stations," was developed by Belnap and Thompson, Inc., Chicago.

In the form of a "smileage test," the plan was designed to find out who were the most popular Sinclair dealers. Similar to the method used by many department stores, "shoppers" traveling incognito were to visit every Sinclair station in the Chicago area during the smileage test. The identity of the "shoppers" was never known even by the Sinclair officials.

The idea was not so much to check up on how dealers and station attendants met and handled those who came into their stations, as it was to popularize the four factors which so greatly determine the reaction of the

SALES MANAGEMENT





FIDDLESTICKS  
FIDDLESTICKS  
FIDDLESTICKS

WHAT DO YOU MEAN—  
FIDDLESTICKS ?

SOUTHERN CALIFORNIA  
ISN'T ANY DIFFERENT  
THAN ANY OTHER  
HINTERLAND !

HEH, HEH, HEH, EDGAR, YOU'RE SO  
FUNNY. DO YOU KNOW THAT NEARLY  
FIFTY THOUSAND—TRY TO GET THAT, EDGAR  
—FIFTY THOUSAND FARMS IN SOUTHERN  
CALIFORNIA HAVE AN AVERAGE VALUE  
OF \$19,705 EACH AS AGAINST THE  
U.S. AVERAGE OF \$4,823.

SO WHAT ?

SO WHAT INDEED? SO 38% OF THE  
LOS ANGELES MORNING EXAMINER CIRCULATION  
(OUTSIDE THE CITY ZONE) GOES  
TO SOME PRETTY FAT POCKET-BOOKS,  
EDGAR—THAT'S WHAT! AND THE VERY  
POTENT 62% CITY CIRCULATION IS NOT  
TO BE SNEEZED AT, EITHER

FAIR ENOUGH.  
DO TELL ME MORE

NO, NOT NOW, EDGAR, BUT SOMETIME  
WHEN YOU'RE IN A REASONABLE FRAME  
OF MIND, ASK A HEARST INTERNATIONAL  
ADVERTISING SERVICE MAN (YOU KNOW,  
ONE OF RODNEY BOONE'S MEN) TO  
TELL YOU THE WHOLE L.A. MORNING  
EXAMINER STORY. IT'S SUMPIN',  
EDGAR—I'M TELLIN' YA!

buying public toward people serving them. These four factors were played up as follows:

- (1) Smile;
- (2) Give the customer some added service like wiping the windshield, checking the tires, water, battery, etc.;
- (3) Show some personal interest in everyone who comes in;
- (4) Never forget to say "Thank you."

The two "shoppers"—known as "Betty and Bill,"—were to check each station on these four points. But, to avoid the "snooping" angle, all the promotion behind it was handled in a light, humorous vein, making the whole thing more of a game than a company "check-up." Also, there was the fact that every dealer or attendant who "passed" the four points in the smileage test was awarded a prize. The prize was of little intrinsic value, although it served as a method of recognizing men who did a good job, and provided an extra incentive to get dealers thinking about how they treated people who came into their stations.

"We were surprised at the results," said Douglas E. Thompson, vice-president of Belnap and Thompson. "The very first day our switchboard operator was kept busy answering phone calls from dealers. Typical of their comments is this one from a dealer in Evanston who said, 'Say, this is the finest thing that ever happened. We are all excited. We had a meeting this morning, and I told my men that any man who wins this test will get a week's vacation with pay.'"

Shortly it became a sort of game. Attendants throughout the territory, instead of fearing the visits, began to look forward to them. They wanted the distinction of winning, and they wanted the prizes. This is the list of prizes from which the winner could select his: A four-piece aluminum set; a New Haven wrist watch; six pairs of Wilson Bros. hose; a New Haven electric alarm clock; a Hanson bathroom scale; a Kaywoodie pipe; an electric percolator; a zipper sweater; a Universal toaster; an electric coffee maker.

Colorful folders were issued announcing the dealer activity, which told the service station men: "We are betting \$100,000 on YOU." This informed them that the company was spending \$100,000 for advertising to promote their business, and that their cooperation was needed to get the best results. Betty and Bill were shown, faces masked, with balloon captions carrying messages such as:

"I'll be seeing you!"

Betty and Bill were put into cars. The cars were changed from time to

time so they could not be identified. Sometimes they bought gasoline or oil and sometimes they didn't. Care was taken not to antagonize the attendants, but merely to get their natural reactions.

Cards, serially numbered, were carried by the "shoppers" and handed out instantly after the attendant had "passed" the test. Some of the winners, on getting the cards, fairly whooped with joy. There was a vast amount of enthusiasm and pride in it all. Each week produced more winners. A four-page weekly mailing issued during the period of the test listed all winners, with stars indicating stations that won more than once.

In one folder, a preliminary piece, preparing the way for the test, the four points upon which the test rested were elaborated on as follows:

the other fellow, you'll find that he or she usually becomes interested in you. Ask them about their cars, call them by name, ask them how they enjoyed the week-end or make any other little comment that shows interest in them.

- (4) COURTESY—Courtesy is the foundation of building satisfied customers. When people spend part of their hard-earned money with you, *thank them* for it! Even if they come in only to have the tires and water checked, *thank them for coming in!* Who knows . . . they may become regular customers later on.

Here's a little point in the plan that, perhaps, added something to it. In every case the "shopper"—Betty or Bill—after the attendant had passed the test, called for the owner and notified him that his station had won. That assured the man at the pump that he had been given real *recognition*.

"My Picture's in the Paper": To round out its effort to secure dealer "push," Sinclair created a newspaper advertising campaign built around the man at the pump. Full pages in two colors were sprinkled with pictures and addresses of dealers—every one in the Chicago area before the campaign ended. Operators were tickled by the publicity, grateful for the personal introduction to their prospects.

- (1) SMILE—The best way to make people like you and make them do business with you is to greet them with a smile. No, an insincere grin won't do! The kind that counts is the smile that says, "I'm glad to see you! I'm happy to serve you!"
- (2) SERVICE—Service is a word that has been sadly overworked, but yet few people know its real meaning. It means not only doing the things a customer asks for, but doing little extra things that people appreciate, like wiping the windshield, checking water, tires, etc.
- (3) INTEREST—Whenever you show that you are genuinely interested in

tion, and that both Sinclair and his employer knew of his efficiency.

The prize was awarded to the dealer. It was a victory for the station itself. Of course, in a great many instances, the dealer handed the attendant the prize as a reward for his fine work.

The final report showed that prizes were awarded in about 50% of the calls made. A summary says that most dealers fell down on the matter of interest. They found it difficult to show interest in total strangers.

SALES MANAGEMENT



## Ad Campaigns

(Continued from page 26)

"\$1.25 value for only 50 cents."

One copy appeal is based on "There's something about a pipe that makes a man look attractive," said 438 women when shown a photograph of a pipe smoker. Only 104 women picked a picture of the same man with a cigarette in his mouth.

"I always pick the man who smokes a pipe," says well known employer," is another appeal.

Despite the aspersions cast at cigarettes, Kentucky Club is still "the right blend for roll-your-own cigarettes." Maybe agents Ruthrauff & Ryan, N. Y., were only funnin'.

### 'Tis! 'Tain't!

SM's editors, who had fine, religious upbringing, have for some weeks now been humming the old hymn "Almost Persuaded" as they went about their multitudinous tasks. The editors, you see, believe in advertisements. This is what they read:

"A big, hot breakfast was fine when you had to stoke the wood fire before dawn. But in these days of heated homes, trains and offices it's no longer a daily necessity. Kellogg's corn flakes provide as much energy and body warmth as many piping-hot foods. Yet they digest easily, never overload the stomach," sayeth Kellogg's agency, Kenyon & Eckhardt.

Turning another page of almost any national magazine they read:

"She *thinks* she's a good mother. She sees that her children brush their teeth twice a day. But she doesn't insist on a hot brown wheat cereal for breakfast. . . . Strong teeth come from bone-making, body-building food—and *nowhere else!* That's exactly why breakfasts of hot brown Wheatena are so important. . . ." pontificates the Wheatena Corp., Rahway, N. J., through Rohrabough & Gibson, Philadelphia agency.

### Going Stronger

Johnnie Walker Scotch whisky ("born 1820, still going strong") pranced along at such a good round pace at Christmas and New Year's that the company decided to jump the ad budget by 50%.

Accordingly, J. M. Mathes, N. Y., agency, added more magazines to the schedule, more newspapers in various cities, and more space in the papers already used. Currently 17 magazines, and 144 papers of 130 cities are telling sippers that "there's no better whisky than Scotch and Johnnie Walker is Scotch at its very best."

Canada Dry Ginger Ale, Inc., N. Y., is the American distributor.

MARCH 1, 1938

## Hard-to-please? THEN YOU'LL ENJOY THE NEW FEATURES OF THE WILLIAM PENN!



Discriminating travelers have always rated the William Penn Hotel in the first flight of this country's finest. And now we've just put nearly a million dollars into making it even better. New appointments, new equipment, for your better enjoyment and service.

There's the magnificent new Italian Terrace, for instance. It's one of the finest restaurants ever built . . . and what food is served there! And 800

newly refurnished and redecorated guest rooms . . . try to match their luxurious restfulness anywhere! And half a hundred other improvements, all going to make the William Penn more pleasant than ever • The next time stop at the William Penn . . . see how much more you'll enjoy your visit to Pittsburgh.

### NEW FEATURES OF THE WILLIAM PENN

Newly decorated and refurnished guestrooms • New Italian Terrace • Tub and shower in every room • Modern eye-saving lighting • Studio bedrooms • Entire floor of convention facilities • Rates from \$3.50 a day

*Hotel*

**WILLIAM PENN**  
P I T T S B U R G H

GERALD F. O'NEILL, General Manager



# Candy Company Capitalizes Charm of New Orleans—and Doubles Sales

*A New*  
*New Orleans Delicacy*  
**CREOLE CHOCOLATES**  
YOURS TO ENJOY TODAY

English  
Raspberry  
Vanilla  
Orange  
Coffee

**Jacobs**  
NEW ORLEANS

BY  
R. G.  
DROWN, JR.

What! Candy at \$1.50 a pound? Nobody would buy it, competition said. . . . But after its introduction, the factory went on a day and night shift. This advertisement, from the New Orleans Times-Picayune, introduced "Creole" chocolates, after a short small-space teaser campaign.

formed a new corporation as of January 1, 1937, and brought in Roy Bartlett, formerly a candy jobber, as sales manager.

An unusual situation had prevailed in the New Orleans candy trade while Mr. Jacobs was trying to get out of the candy business. The only serious local competitor was having financial difficulties and was trying just as hard to stay in, with the result that retailers were doing the bulk of their business on a consignment basis. Consigning such perishables as candy is a hazardous business, and the new Jacobs management, determined that there were profits to be made for both factories, set about at once to remedy the situation. This was accomplished by a mutual agreement. With the nearest outside competitive factories located in Atlanta and Fort Worth, it was apparent that New Orleans factories had an extensive market of their own which they could sell and serve if they approached it correctly.

## How Fine—Not How Cheap

In the face of competitors' assertions that New Orleans, in particular, is strictly a price market, and that quality, to some extent at least, must be sacrificed to price if sales were to reach satisfactory figures, Mr. Bartlett and his associates set about instilling quality into every box of candy that left their plant.

"Not how cheap, but how fine," became the slogan and "pride and quality in every box" became an axiom. The quality and taste of every piece of candy was improved. As soon as every chocolate was as wholesome, and as delicious as Jacobs candy experts could make it, two new, handsome, white enameled trucks began to tour candy outlets in New Orleans, replacing every old box of Jacobs chocolates with the corresponding new and finer package of candy.

As there had been no time in which to design and manufacture new boxes a distinctive band of red paper was wrapped around each of the boxes that went to dealers. Consumer advertising in the local newspapers told the story of the change to the public.

Thus was the bugaboo of what to do with old stock when a new product is introduced, met frankly and

Because big companies by no means have a monopoly on sound sales ideas, Sales Management likes to print articles dealing with the success of little firms. This is such a story—a story of the way Jacobs Candy Co. found a forceful sales theme on its own doorstep.

**W**HEN you think of New Orleans, you think of romance and glamour and good food.

A group of men with selling sense took that train of association and turned it into a successful sales and advertising campaign for candy. Jacobs Candy Co., a 30-year-old Crescent City firm, has doubled its sales in a year. Volume for 1937 was \$500,000, and the outlook for 1938 is anything but gloomy. The factory has been running on a night shift to keep up with the demand.

Although the sale of "atmosphere," along with the product, is perhaps the most interesting phase of the Jacobs story, the campaign involved the application of several good old fundamentals of marketing: A quality

product at a fair price, modern packaging, a policy of trading-up, and newspaper advertising and dealer helps.

In the 32 years before 1937, the Jacobs Candy Co. had made money for its founders. When one of the partners died, Mose Jacobs, unwilling to carry on alone, looked about for someone either to buy the firm outright or to invest in it enough capital to rebuild it after the depression had sapped much of its strength.

He found the capital in the persons of three men well known in New Orleans business and financial circles—Col. Seymour Weiss, Monte Hart and Joseph Samuels, all identified with the city's best-known hotel, the Roosevelt, as well as with a number of other successful enterprises. They

# Commercial Credit Company

## Baltimore

### Twenty Sixth Annual Consolidated Financial Report AS OF DECEMBER 31, 1937

#### ASSETS

Cash.....		\$ 28,077,827.23
Motor Lien Retail Time Sales Notes.....	\$155,015,564.40	
Motor Lien Wholesale Notes and Acceptances.....	60,740,756.14	
Industrial Lien Retail Time Sales Notes.....	57,795,609.16	
Open Accounts, Notes and Factoring Receivables.....	33,893,956.19	307,445,885.89
Sundry Accounts and Notes Receivable.....		740,537.05
Customers' Liability on Foreign Drafts and Letters of Credit (Contra).....		138,683.77
Repossessions in Companies' possession at depreciated values:		
Motor Cars.....	\$ 145,112.22	
Other than Motor Cars.....	16,689.83	161,802.05
Investments:		
Sundry Marketable Securities at book value (market value \$442,379.50).....	\$ 414,935.13	
Investment Securities held by American Credit Indemnity Company of New York, at market value.....	4,775,710.42	5,190,645.55
Deferred Charges:		
Interest and Discount Prepaid, etc.....	\$ 1,103,024.37	
Unamortized Debt Discount and Expense.....	820,288.00	1,923,312.37
Furniture and Fixtures.....		4.00
		<u>\$343,678,697.91</u>

#### LIABILITIES

Unsecured Short Term Notes (Subsidiaries \$6,496,155.88)...		\$171,786,655.88
Accounts Payable:		
Credit Balances of Manufacturers and Selling Agents held by Factoring Subsidiaries.....	\$ 2,164,214.51	
Sundry, including Accruals, Federal and other Taxes.....	6,123,728.72	8,287,943.23
2¾% Debentures due 1942.....	\$ 35,000,000.00	
3¼% Debentures due 1951.....	30,000,000.00	65,000,000.00
Contingent Liability on Foreign Drafts and Letters of Credit (Contra).....		138,683.77
Contingent Reserves:		
Margin due Customers only when Receivables are collected.....	\$ 6,054,633.01	
Dealers' Participating Loss Reserves.....	6,268,432.59	12,323,065.60
Reserves for:		
Possible Losses and Contingencies.....	\$ 5,226,991.37	
American Credit Indemnity Company of New York, Reserves required by Insurance Regulations, plus Voluntary Reserves of \$500,000.....	1,122,606.64	
Deferred Income and Charges (unearned).....	15,121,208.85	21,470,806.86
Capital Stock and Surplus:		
Minority Interests (Common Stock and Surplus—Subsidiaries).....	\$ 44,668.00	
Preferred Stock, \$100 par value		
499,646 shares authorized—121,948 shares outstanding designated as:		
4¼% Cumulative Convertible.....	12,194,800.00	
Common Stock, \$10 par value:		
(3,000,000 shares authorized—1,840,900 full shares and 1,094 shares of fractional scrip outstanding)	18,419,940.00	
Capital Surplus.....	\$17,964,493.87	
Earned Surplus.....	16,047,640.70	34,012,134.57
		<u>\$343,678,697.91</u>

#### Summary of Operations

	Year Ended Dec. 31, 1937
Gross Receivables Purchased.....	\$933,854,331.85
Gross Operating Income.....	\$ 33,966,634.46
Sundry Income.....	700,218.37
Gross Income.....	\$ 34,666,852.83
Operating Expenses:	
Officers, Employees and Agents Salaries, Commissions and special compensation.....	7,426,642.70
Taxes (except Federal Income and Undistributed Profits).....	787,025.19
Management Expenses.....	6,646,659.03
Reserves for Losses in Excess of Net Losses (Credit).....	912,635.55
Net Income before Interest and Discount.....	\$ 20,719,161.46
Interest and Discount Charges.....	3,781,604.71
Reserve for Federal Income Taxes.....	2,916,609.59
Net Income from Operations.....	\$ 14,020,947.16
Less Net Income for Minority Interests.....	4,844.55
Net Income on Capital Stocks of Commercial Credit Company.....	\$ 14,016,102.61
Reserve for Federal Surtax on Undistributed Profits.....	422,983.50
Net Income credited to Surplus.....	\$ 13,593,119.11
	<u>1937 1936</u>
Interest and Discount Charges—Times Earned.....	5.47 8.50
After Federal Surtax on Undistributed Profits:	
Net Income per share on 4¼% Cumulative Convertible Preferred Stock outstanding at end of period.....	\$111.46 \$97.84
Dividend Requirements on 4¼% Cumulative Convertible Preferred Stock outstanding at end of period—Times earned.....	26.20 23.02
Net Income per share on Common Stock, including scrip, outstanding at end of period.....	\$7.09 \$6.07

#### Analysis of Earned Surplus

Net Income credited to Surplus.....	\$ 13,593,119.11
Excess Reserves on closed banks returned to Earned Surplus.....	41,828.22
Total.....	\$ 13,634,947.33
Less dividends paid in cash on:	
4¼% Cumulative Convertible Preferred Stock.....	518,752.87
Common Stock (\$4 and \$1.50 extra per share).....	10,123,656.50
Transferred to reserve for depreciation of securities to market value (American Credit Indemnity Company of N. Y.).....	374,424.38
Furniture and Fixtures written off	359,825.20
Total.....	\$ 11,376,658.95
Net Surplus Credit for period.....	\$ 2,258,288.38
Earned Surplus Balance, beginning of period.....	13,789,352.32
Earned Surplus Balance, end of period.....	\$ 16,047,640.70

Commercial Credit Company conducts a highly specialized form of commercial banking through the purchase of receivables created by the sale of merchandise from the manufacturer to the consumer. It purchases current open accounts from manufacturers and wholesalers, who collect the accounts as usual, and limit their credit losses. Its subsidiaries, Textile Banking Company, Inc., and Edmund Wright Ginsberg Corporation, New York, offer "Factoring" service, under which they purchase and collect accounts, assuming all credit risk. Its subsidiary, American Credit Indemnity Company of New York offers "Credit Insurance" which reimburses credit losses in excess of an agreed percentage on annual sales, and guarantees specific accounts. The Company specializes in time payment financing of automobiles, refrigerators, heating equipment, radios, Diesel engines, time and labor saving machinery and other articles of a durable nature.



courageously. As far as the company was able to determine, there wasn't an old box of Jacobs candy left on dealers' shelves. A consumer who was attracted by the advertising and the story of quality it had to tell could be assured of receiving just what he expected to get when he paid for a pound of the new Jacobs chocolates.

Meanwhile, new packages were being designed for the entire line. As soon as each was completed to the satisfaction of the advertising agency and company officials, it was substituted for the former box. And into each new package was wrought something of the atmosphere of old New Orleans. Consumer and dealer advertising—newspapers, window strips, backgrounds, even price tags—featured illustrations of famous New Orleans landmarks, scenes in the city's Vieux Carre, historic spots and buildings closely identified with this romantic metropolis.

### They Sold "Atmosphere"

"The origin of our candy gave our men the one talking point that other candy factories could not match," said Mr. Bartlett. "Without that New Orleans atmosphere as a selling point, we had nothing the other fellow couldn't duplicate. Of course, we felt that our candy had the quality to meet any competition on that basis, but any manufacturer can talk quality and price. When our men spoke of bringing a dealer a new candy from the home of delicious food—New Orleans—a city unrivalled in the New World as the birthplace of unusual dishes and confections—he had a talking point that clicked."

Then came the decision to bring out a chocolate better in quality than any in the Jacobs line at the time.

The result was Jacobs' "Creole" chocolates. Here again, the New Orleans influence is paramount. "On the menu at New York's Waldorf-Astoria," points out Mr. Bartlett, "as in all really good restaurants, you'll find New Orleans Creole gumbo prominently mentioned. The word 'Creole' has come to mean the last word in gastronomical excellence and we knew that Creole chocolates could expect the same consideration in candy circles."

To introduce this finest of all Jacobs candies, the Fitzgerald Advertising Agency released a series of "teaser" consumer advertisements. A small girl was portrayed turning away from a proffered ice cream cone with the words "Wait till Friday—then you can give me New Orleans' newest delicacy." An attractive young

lady was shown refusing an anxious swain's diamond ring with the same statement. The winner of a golf tournament spurned a huge silver cup in like manner. A prima donna waved away bouquets of American beauties extended from the footlights as she repeated: "Wait till Friday—then you can give me New Orleans' newest delicacy."

Six-column newspaper ads heralded the arrival of "New Orleans' newest delicacy" with artwork portraying a typical scene in a New Orleans Vieux Carre courtyard—swaying palms, huge Negro mammy carrying a steaming platter, quaint Old World architecture, gay young blades and Creole maidens enjoying a sumptuous repast. Roy Alciatore, proprietor of famed Antoine's French restaurant, contributed a testimonial.

"My chefs and I compliment you on the remarkable new flavors you have originated in Creole chocolates. May your creations become as world famous as the famed dishes of New Orleans." A few of the "famed dishes" were named in the copy—crayfish bisque, pompano en papillote, crepes suzettes, cafe brulot.

Later insertions carried similar recommendations from other New Orleans French restaurateurs.

The new chocolates, packed in one-, two-, three-, and five-pound sizes, were priced to retail at \$1.50 a pound—"a price people won't pay," to

quote competing candy men who were having some difficulty selling \$1-a-pound candies. "But it was the Creole line that kept our factory lights burning incessantly for the past six months," cheerfully replies Mr. Bartlett. "It's their 'atmosphere' as much as their quality that does it."

From a firm that employed no traveling salesmen at all in January, 1937, the Jacobs company now has 10 men working the New Orleans trade, and 26 covering the entire south, up the Mississippi valley into Minnesota, New York, and all the way west to California. Each man carries a complete portfolio showing the entire line of packages and candy assortments. A large white exhibit car travels through the entire territory and is entrusted to each salesman along the route to display the line. Semi-annual sales meetings bring each man to the home office in June and December to go over new sales and advertising plans with Jacobs executives and to see new packages to be added to the line.

Advertisements in local newspapers in the principal cities where Jacobs has distribution appear on such special occasions as Christmas, Valentine Day, Easter and Mother's Day. Appropriate window strips and background signs are supplied dealers.

### Making Novelties Pay

Mr. Bartlett is a firm believer in novelty merchandise and special packages. He has devised some that retail for as much as \$12.50 in the face of protests that "the public hasn't that kind of money any more."

One of the most successful was a five-pound heart-shaped Valentine box of candy topped by a huge red satin pillow, securely wrapped in cellophane. Priced at \$12.50, it was a quick and enthusiastic sell-out.

A football-shaped box, designed for display during the New Orleans Winter tourist season, which is climaxed by the New Year's Day Sugar Bowl football classic, sold not only to rabid Crescent City grid fans but went like the proverbial "hot cakes" on the far-away Pacific coast.

Perhaps the best-received of all Jacobs special packages was the one to which a toy tiger cub labeled "Mike" was attached. In Baton Rouge, La., the state capital, domicile of Louisiana State University's "Tigers" and lair of their spectacular mascot, a Royal Bengal cub named "Mike" (for the college football trainer), coeds seemingly couldn't sleep nights without "Mike's" namesake for a mascot . . . at \$3 apiece.

SALES MANAGEMENT



"The greatest producer of sales the hammer industry has ever known," says the Henry Cheney Hammer Corp., Little Falls, N. Y., of its self-demonstration counter display for the Cheney Nailer. The hammer is chained to the base to circumvent the over-enthusiastic, and three wells at the rear hold nails. The display is offered as part of the Cheney Nailer Sales Maker Carton, which contains in addition ten 16-oz. and two 20-oz. hammers for stock. Dealers using it report sharply rising hammer sales.





## New Orleans

James J. Reiss, membership chairman, Sales Managers Council of the New Orleans Chamber of Commerce, has announced that seven new members have been admitted to the council to fill vacancies caused by resignations and transfers. They are Robert Cone, merchandise manager, Auto-Lec Stores, Inc.; M. J. Fortier, manager, Sherwin-Williams Co.; T. Miller Gordon, division manager, Standard Oil Co. of Louisiana; John W. Moore, manager, Colonial Home Furnishing Co.; A. J. Preau, Jr., assistant manager, Bohn Motor Co.; L. H. Stevens, vice-president, Stone-Stevens, Howcott, Halsey, Inc.; and Nelson R. Swayze, advertising manager, New Orleans States.

A. Bruce Hay, district manager, Southern Bell Telephone Co., was the guest speaker at the February 15 meeting of the New Orleans Sales Managers Council. The topic of his talk was "Selling by Telephone."



New president of the Flint club, Earl McGinnis.

## Flint

Earl McGinnis, advertising manager, AC Spark Plug Division, General Motors Corp., was recently elected president of the Flint Advertising and Sales Club, to succeed Thomas H. Corpe, director of advertising and sales promotion, Buick Motor Co., whose term of office automatically expired in January. Corpe was named by the board of directors as first vice-president of the club.

## Providence

The Sales Managers Club of the Providence, R. I., Chamber of Commerce last week heard Frank W. Lovejoy, Socony-Vacuum Oil Co., Inc., speak on "The Human Side of Selling."

## Cleveland

David Dietz, science editor, Scripps-Howard Newspapers, addressed the Sales Managers Club of Cleveland recently on "How Science Is Changing Business."

The Cleveland Club has added four new names to its membership roster: J. W. Noonan, sales manager, Dobeckmun Co.; Leonard Park, resident manager, Peat Mar-

(Continued on page 79)

MARCH 1, 1938

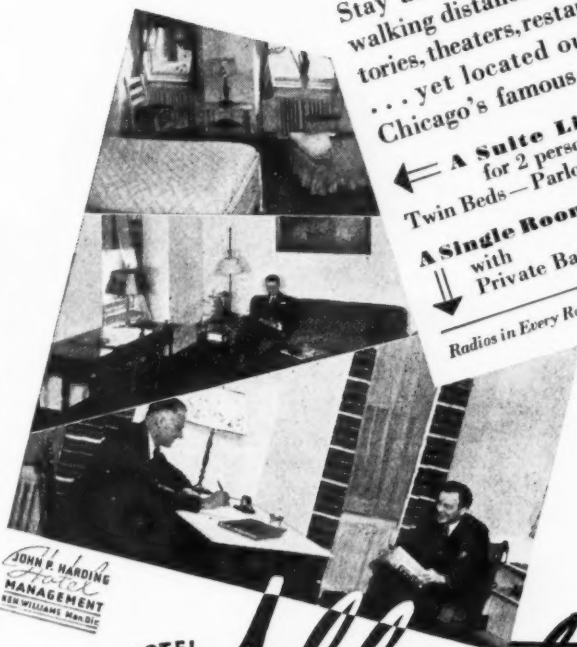
**HERE'S A REAL BUY**  
when you're in Chicago!

Stay at the Allerton Hotel... within walking distance of offices, stores, factories, theaters, restaurants, night clubs... yet located out of the Loop in Chicago's famous Michigan Avenue.

← A Suite Like This \$6.00  
for 2 persons  
Twin Beds—Parlor—Bath...

↘ A Single Room Like This \$3.00  
with  
Private Bath.....

Radios in Every Room • Special Weekly and Monthly Rates



JOHN R. HARDING  
Hotel  
MANAGEMENT  
RED WILLIAMS MANAGER

HOTEL

**Allerton**  
MICHIGAN AT HURON...CHICAGO

"CLOSE TO  
EVERYTHING"

**BE WISE...**

Experienced travelers judge for themselves. That's why you hear so many men and women say, "I always stop at Albert Pick Hotels." The superior service, unusual comfort, splendid cuisine and price economy of these fine hotels merit your patronage.



STOP AT ANY OF THESE

17

**ALBERT PICK HOTELS**

DETROIT, MICHIGAN..... TULLER  
DAYTON, OHIO..... MIAMI  
COLUMBUS, OHIO..... CHITTENDEN  
COLUMBUS, OHIO..... FORT HAYES  
TOLEDO, OHIO..... FORT MEIGS  
CINCINNATI, OHIO..... FOUNTAIN SQUARE  
CANTON, OHIO..... BELDEN  
ST. LOUIS, MO..... MARK TWAIN

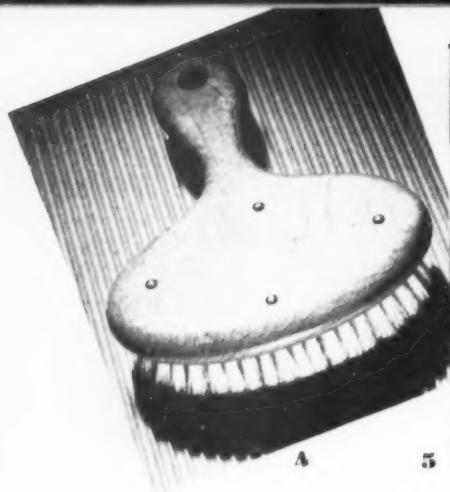
CHICAGO, ILL. .... GREAT NORTHERN

INDIANAPOLIS, INDIANA..... ANTLERS  
SOUTH BEND, INDIANA..... OLIVER  
ANDERSON, INDIANA..... ANDERSON  
TERRE HAUTE, INDIANA..... TERRE HAUTE  
JACKSON, TENNESSEE..... NEW SOUTHERN  
ASHLAND, KENTUCKY..... VENTURA  
OWENSBORO, KENTUCKY..... OWENSBORO  
WACO, TEXAS..... RALEIGH

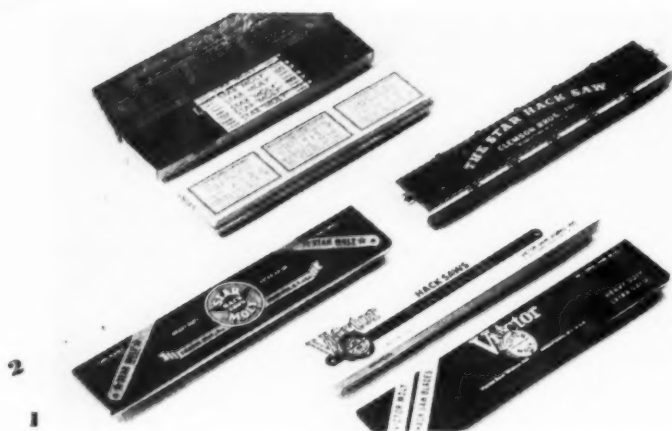
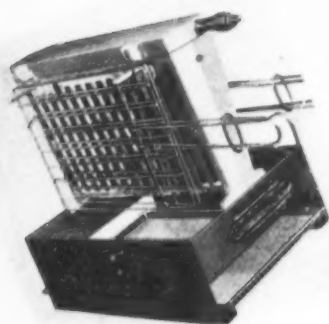
5000 ROOMS



IN 8 STATES



## DESIGNING TO SELL



**1. Two Minds:** Both Clemson Brothers, Inc., and Victor Saw Works, Inc., have dismissed the old cardboard carton and packaged hack saws in colorful lithographed metal containers for "easy-to-display, easy-to-keep clean," etc., purposes. O. S. Tyson & Co., Inc., N. Y. ad agency, handles accounts.

**2. Broilaster:** Eight dinner steaks can be broiled at one time on the two wire grids of the Majestic Co.'s new charcoal-burning Broilaster, which handy gadget cleans itself during operation. Wheeler-Kight & Gainey, Inc., Columbus, Ohio, ad agency, is handling the promotion.

**3. Rural Radio:** RCA Victor recently conducted a survey among rural listeners and found out what they wanted in a farm radio. As a result three new farm radios are on the market for RCA Victor farmers. Features: Lower prices and current cutter, which reduces battery drain by one-third. A six-volt storage battery is the only power required for the table model pictured here.

**4. Shower Scrubber:** Pro-phy-lac-tic Brush Co.'s new shower bath brush is a small, spatulate-shaped gadget with a short handle for convenience in the limited space of a built-in shower. It's available in either maple or sateen wood and bristles are inserted into an aluminum face, from which the water rolls off quickly, for speedy drying.

**5. No Burns, No Spills:** Cook-Rite Utensils Distributing Co. introduces a new line of aluminum safety-featured pots and pans. Covers clamp down tightly, are released only by the thumb latch. New feature is the slotted opening through which the housewife can inspect, taste, season or stir the contents without removing the lid. Heat-resistant handles are molded of Bakelite by Kurz-Kasch, Inc.

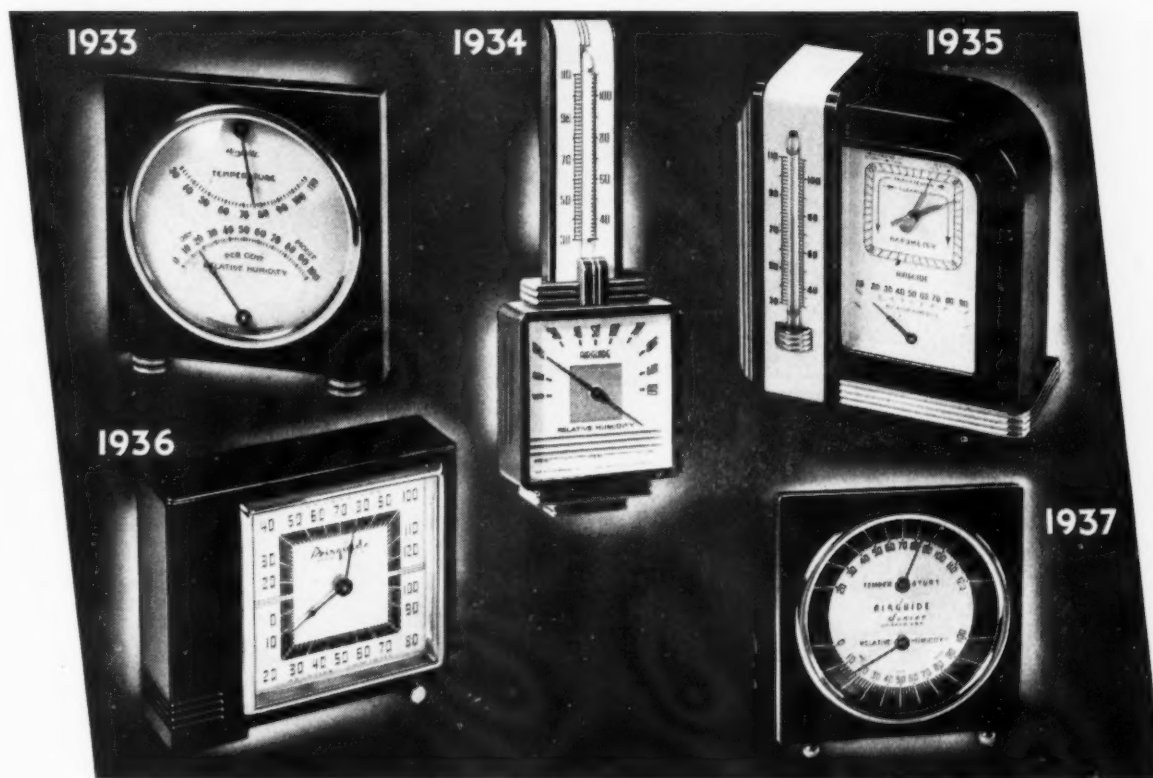
**6. Glare Eliminator:** First lighting unit made with Polaroid, glare eliminating lens recently invented by young Boston Scientist Edwin H. Land, is a desk lamp which Polaroid Lighting, Inc., will put in production this month. Williams and Saylor, Inc., N. Y. agency, will handle the advertising with an extensive campaign aimed at the trade this Spring and ads in trade and consumer journals next Fall.

**7. Spring Song:** Easter greetings from Maison Jeurelle, New York perfumers, take form in white pottery pots filled with scented bath salts blooming with gay Spring flowers. "Who can resist?" rhetorically query the perfumers.

**8. Tinted Wax:** A new furniture wax made in three shades of walnut, mahogany and maple has been added to the line of Old English household products by the A. S. Boyle Co.

# ANOTHER SALES SUCCESS

## *built with Bakelite Plastics!*



Five steps in the development of the successful line of Airguide Instruments. Cases molded by Chicago Molded Products Corp.

### Five Airguide "annual" models made with Bakelite Molded have established long-time markets

THE DESIGNING of successful cases for atmospheric instruments almost has become a formula to Fee and Stemwedel, Inc. For five consecutive years, Bakelite Molded has been employed for the styling of each new Airguide instrument which has been introduced as an annual model and later incorporated in the permanent line.

The continuous use of Bakelite Molded may be attributed to important advantages inherent in the

material itself. In Airguide cases, Bakelite Molded provides accurate reproduction of the designer's conception, and contributes enduring beauty combined with permanence of form and precision.

Manufacturers of many other, and widely different, products have gained equally important sales and functional benefits from Bakelite Molded. This material is available in numerous colors and special types to meet requirements of a

broad variety of electrical, chemical, mechanical and decorative problems.

Consider the advantages in styling with Bakelite plastics. Write for useful 48-page booklet 26M, "Bakelite Molded".

*Visit the Bakelite Travelcade—an exposition of "Modern Plastics for Modern Living"—March 1 to 31, Museum of Science and Industry, Rockefeller Center, New York.*

BAKELITE CORPORATION, 247 PARK AVENUE, NEW YORK, N.Y.  
BAKELITE CORPORATION OF CANADA, LIMITED, 163 Dufferin Street, Toronto, Canada West Coast: Electrical Specialty Co., Inc., 316 Eleventh Street, San Francisco, Cal.

# BAKELITE

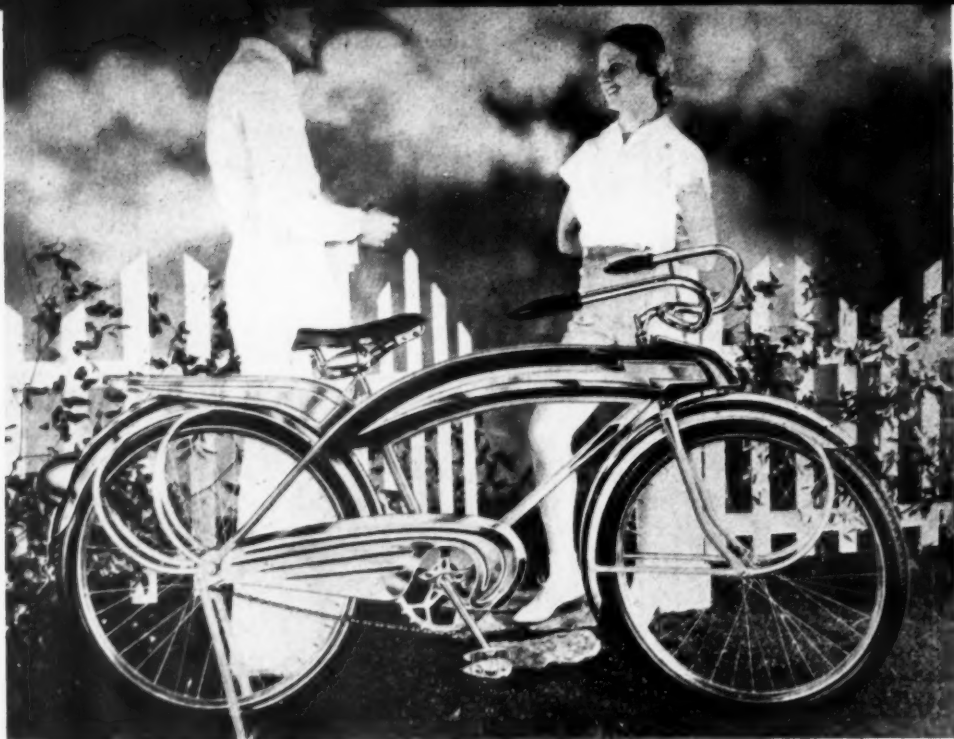
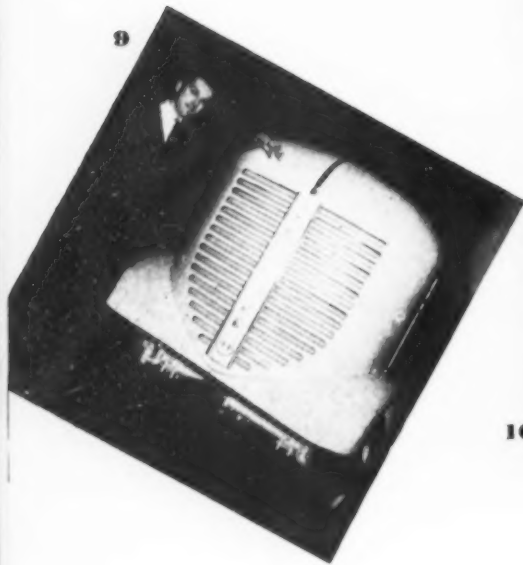
The registered trade marks shown above distinguish materials manufactured by Bakelite Corporation. Under the caption "B" is the numerical sign for safety or unpatented quantity. It symbolizes the office number of present and future sets of Bakelite Corporation's products.

## PLASTICS HEADQUARTERS

MARCH 1, 1938

[61]





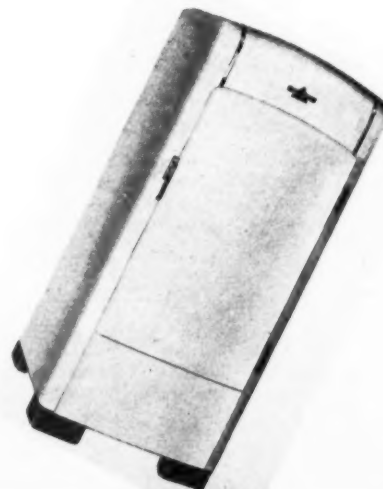
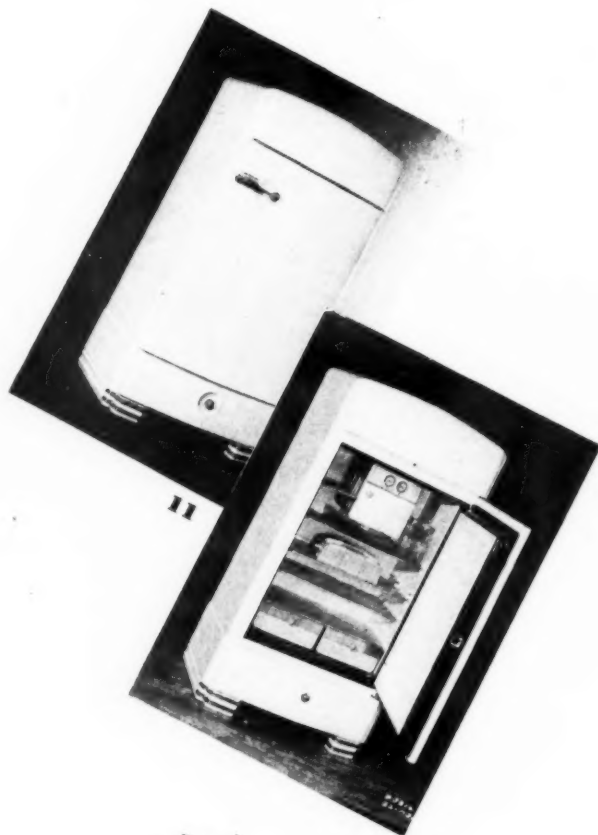
## DESIGNING TO SELL

**9.** New Field: Styling is rather an innovation for air-compressors, but here's a streamlined one, designed by Wilbur Henry Adams for the Le Roi Co., Cleveland. Its housing is of welded steel construction, painted yellow, with silver and chrome trim. It is shown here, with Mr. Adams standing by, on exhibit in the recent Cleveland Road Show.

**10.** Bike Innovation: To eliminate gadgets and attachments, horn, lights and battery of Shelby Cycle Co.'s new bicycle are enclosed in a tank which fits around the vehicle and extends forward at the head, similar to new automobile fronts. Built-in luggage carrier ("not an attachment") and tear-drop pedals carry out the streamline design of bright enamel colors and chromium trim. Morgan Advertising Co., Mansfield, Ohio, agency in charge, places its bet on "Shelby bikes to win in a number of sales races this year."

**11.** Sears Seller: Annual Coldspot refrigerator sales soared from 15,000 to 275,000 units in five years, report Sears, Roebuck, Coldspot distributors. Pictured here is the 1938 model, designed by Raymond Loewy, incorporating both exterior and interior improvements: Chrome hardware emphasizing a spherical theme, four shelves instead of three, three lights on the inside and semi-automatic defroster.

**12.** Redesign: Formerly the tank on the Perfection Oil Co.'s oil burning refrigerator had the appearance of being a separate unit. Wilbur Henry Adams redesigned the product into a more compact box, finished in white porcelain enamel with chromium trim.



## Direct Mail Series Boosts Food Brokerage Volume

J. F. Schmidt Co., food brokers of Springfield, Mass., specialize in a few nationally known brands. These are sold through wholesalers in Connecticut and Western Massachusetts.

President Schmidt desired to call on retailers in his territory, but their numbers made this too expensive. Direct mail provided his solution. Instead of long epistles he used a minimum of copy with large-size illustrations. Before issuing the first series of letters, he sent advance copies and explained to wholesalers that he was endeavoring to increase their trade as well as his own by mailings to their retail accounts.

The first mailing consisted of three letters on the letterheads of food manufacturers, though signed by the Schmidt Co. A single talking point was presented. That for Burnham & Morrill, for example, suggested selling brown bread with B & M's baked beans, providing two sales and profits. Following letters have been on the broker's letterheads.

These simple, single-purpose letters to retailers have brought Schmidt a 62% increase in sales of Gerber's baby foods; a 15% rise on Dromedary dates; and smaller advances for other products.

Manufacturers have congratulated and cooperated with the company, for the monthly letters have helped them as well as jobbers.

## Newspapers, Magazines for Fels-Naptha's "Largest" Ads

Fels & Co., Philadelphia, will use newspapers and magazines with a combined circulation of almost 52,000,000 in the company's "largest and most powerful" campaign ever put behind Fels-Naptha soap and soap chips.

Seventy newspapers of 23 states, and D. C., are scheduled. Copy consists of sequence picture strips in four colors in Sunday comic sections. The *Hearst Comic Weekly* and the *Metro-politan Weekly* are included. Twenty-seven national magazines will also carry two-column strip ads, according to Cyril G. Fox, sales and ad manager.

A free offer of a sport handkerchief, for the bottom of a Fels-Naptha soap chips box, will be made in every Sunday comic ad. This premium is "a tested and proved salesman."

"The elimination of 'Tattle-Tale Gray' will continue to be the theme of both campaigns," says Mr. Fox.

Agency: Young & Rubicam, N. Y.

MARCH 1, 1938



## CLOTHES COME OFF the NATIONAL DOLLAR

MARKETS. MARKETS. MARKETS.

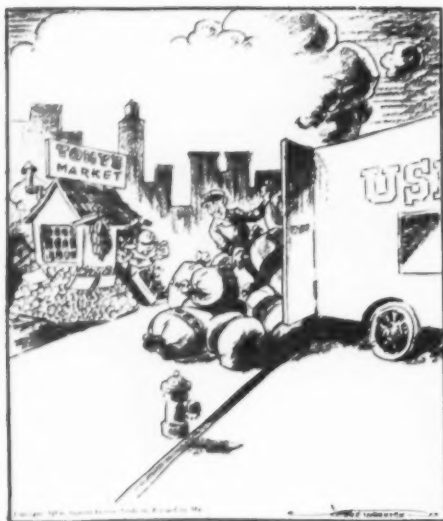
Good, bad, indifferent. How much should each one be worth to you? Strip a market down to *what* its population spends, what it *has* to spend, *how* it is spent, and *where*, and you have something. But it's a job for a high priced, carefully trained Market Research Department.

SALES MANAGEMENT'S Annual Survey of Buying Power is almost a Market Research Department in itself. The 1938 issue should be one of the volumes in your own personal desk library, and in the hands of many of your men. It disrobes, dissects the National Buying Dollar in terms of cities, counties, states, sections. This year's issue contains market maps you shouldn't miss.

Each year many firms get extra copies. If you'll need any, say how many and we'll ship them with your regular April 10th issue. SALES MANAGEMENT, 420 Lexington Ave., New York. \$1.00 per copy.



## 9<sup>th</sup> ANNUAL SURVEY of BUYING POWER



"Here Y'Are, — Tony! The Mail Orders from Your WHB Program"

★

If  
you  
mean  
business...

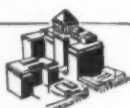
WE MEAN YOU

Some conventions are all celebration; others have fun but accomplish something too. We prefer to cater to the latter kind. Beachfront location. Write for special group rates.

LEEDS AND LIPPINCOTT COMPANY

CHALFONTE -  
HADDON HALL

ATLANTIC CITY



SM's Air Editor, Daniels, thumbs through Eastern Air Lines' new sales manual, "Sky Pictures," and is sold on the virtues of air transportation. Attractively printed in EAL colors, red and blue, the book is, to quote its preface, a "warm . . . interesting . . . pictorial exposition of this air line, the people in it, the progress we have made." It will soon be in use by Eastern Air Lines' 150 salesmen to put over their sales story to prospective air travelers.

## Marketing Flashes

[That Housing Boom Gets Nourishment and Encouragement—Skeleton Portfolios Permit Ad Libbing]

### Flintkote's Ize

Flintkote Co., N. Y., was probably the first to begin the race for more building business resulting from the revised National Housing Act. Two hours after the President signed the bill two sales plans sped on their way to 10,000 dealers handling Flintkote's roofing, siding and home insulation.

The first, called the "Ize Plan," consists of six points for home modernization and repair. It tells the dealer how to organize, dramatize, circularize, advertise, publicize, and capitalize with a host of material supplied by the company. In the small home plan is a thorough analysis of the new house market below \$5,000. That price class includes 22,000,000 families who cannot afford more than \$25 to \$30 a month for housing. Terms of the liberalized FHA permit such low incomes, 71% of the nation, to build. "Basic problem of the building industry is to show middle-class Americans how much house they can buy for how little money," explains Flintkote's advertising manager, L. Rohe Walter.

To that end it recommends construction of demonstration homes similar to those being sponsored in Washington by the National Retail Lumber Dealers' Association and the National Lumber Manufacturers' Association. "A sample house captures the imagination," and certainly those pictured and described whet the appetite. Ranging from \$1,750 to \$3,400, for two to seven persons, they will, Flint-

kote believes, "make buyers out of wishers."

Dealers are being furnished folders, booklets, mats, radio and scripts. The plan encompasses many angles. Flintkote modestly "knows its small home plan isn't perfect, it isn't a panacea, it isn't all things to all people. But it is good. It is adaptable. It is workable."

### It's Lumarith Now

Celluloid Corp., N. Y., has abandoned the name Protectoid and given its transparent packaging materials the name of Lumarith—the plastic from which it is made. Says A. J. St. John, advertising manager:

"Our company has pioneered the production of cellulose acetate plastic materials using the trade name Lumarith . . . The name enjoys high repute because it stands for extreme versatility in color and working qualities in the field of plastics . . . In 1930 we introduced a transparent packaging material that we called Protectoid . . . Our customers will benefit by this change because all our promotional effort will be concentrated behind the one trade name Lumarith."

### Publisher C-P-P

Colgate-Palmolive-Peet Co., heretofore known as a maker of cosmetics and toiletries, may now be justly called a book publisher. Under "the greatest retail sales plan" in its history, Colgate is offering four books for 40 cents and

SALES MANAGEMENT



carton panels from ten of its products.

Representing "values up to \$2," the books are "Five Minute Biographies," by influencer Dale Carnegie; "Etiquette—Up to Date," by Mrs. Cornelius Beeckman; "Modern Home Cook Book," by Grace E. Dennison, and Webster's New Modern Dictionary.

Retailers get slathers of display material, and folders explaining how to obtain the books—by sending to Colgate in Jersey City. These folders will be sent to customers by Colgate with a dealer's name imprinted.

## Deaf, Dumb and Blind

"Newspapers bristle with technical talk, and bridge players gossip casually about many new inventions," Dr. James Shelby Thomas, president of the Chrysler Institute of Engineering, recently told the advertising and marketing forum of the N. Y. Advertising Club, "but we are practically deaf, dumb and blind to the possibilities of modern science.

"We now have glass building blocks. We will soon have glass bed springs, radio sets, shingles, glass wicks, for cigarette lighters, razor blades, road surfaces, awnings, carpets and glass springboards for swimming pools.

"Some of the unusual products developed include concrete hinges for bridges, cotton highways, cement-coated shingles, tractors that run equally well on land or in water. We are aging whisky by sound so that seven hours of exposure to 'sweet harmonies' is equivalent to four years in wood. In a little while we will be heating houses from the cold outside and cooling them in Summer from the heat inside."

## Utilities Concentrate

Public Service Co. of New Hampshire and the N. H. divisions of the Twin State Gas and Electric Co. will sell only one electric household line in an allotted territory.

Companies selected are Edison-General Electric Hotpoint line, Westinghouse, Kelvinator and General Electric. In Manchester, for instance, the utility will retail only the Hotpoint line. But the other three companies, and other rivals, will naturally have as many outlets as they can obtain through retailers.

Advantages to the utility of this scheme are several. It concentrates on a single complete line, well and favorably known, the use of which increases utility service. Consumer guarantees, servicing of appliances and inventories are simplified.

Manufacturers benefit from the utility's strong support in the exclusive ter-

MARCH 1, 1938

45 typewritten copies!  
But Mr. Barnes



Sorry, Miss Wells, but  
they must be mailed  
to our men tonight

...TIME TO PUT YOUR  
DUPLICATOR TO WORK

**POLICY MATTERS**, price and model changes, market conditions—when ever you have "hot" information to distribute, put your duplicator to work. Don't rush your stenographer for an unreasonable number of carbon copies. Don't waste time routing originals from one person to another. Your duplicator will make all the copies you need, promptly, readably and inexpensively.

**CAREFUL BUYERS** find it good business to standardize on Hammermill Duplicator Paper. It gives you a large number of clear, brilliant, readable copies from every master sheet.

It runs well on either gelatin or spirit duplicators. On the spirit machine it is an exceptional economizer of the contact fluid. Hammermill Duplicator is low in cost. You can get it quickly through your printer or stationer in white and four colors that match Hammermill Bond Envelopes and Letterheads. Try it on *your* duplicator.

**100 SHEETS FREE.** Test Hammermill Duplicator in your office against the paper you are now using. Mail coupon with sample of your present duplicator work, and we'll send you a 100-sheet test packet free.

HAMMERMILL  
DUPLICATOR  
LOOK FOR THIS WATERMARK

MADE BY THE MAKERS  
OF HAMMERMILL BOND



100 SHEET  
TEST PACKET  
FREE!



Hammermill Paper Company, Erie, Pa. S.M.-Ma  
Please send me free 100-sheet test packet of  
Hammermill Duplicator Paper. We now use  
a \_\_\_\_\_ gelatin, \_\_\_\_\_ spirit machine.

NAME \_\_\_\_\_  
POSITION \_\_\_\_\_  
(Please attach to your business letterhead)

ritory, and from cooperation that is closer than under any other plan. Sales expense should be lower. In areas where a manufacturer's line is not handled by the utility he can secure whatever dealer representation is possible. Some inequalities in the sales values of given territories are inevitable, but the utility assigned them with malice toward none.

While the plan is not strictly new, it hasn't been done in this way before. If it works out for all concerned, adaptations may spread to other fields.

### Dennison Springboard

Dennison Manufacturing Co., Framingham, Mass., makes wrapping papers, seals, tags, etc. If stores could be induced to install gift wrapping departments the company's volume would rise.

A sales portfolio is assisting Dennison's 275 representatives in convincing store executives of the wisdom of such departments. Spiral bound, copiously illustrated, with a minimum of text, the portfolio is not intended as a complete summary of wrapping department operations. Rather it is an outline which salesmen may fill in as opportunity suggests. Grey Advertising Agency, N. Y., in charge, calls it a springboard for the sales talk.



Typical gift wrapping department inspired by Dennison. This is in the Boston Store, Chicago.

A list of some of the leading stores maintaining gift wrapping departments is on the opening pages—Marshall Field, Macy's, Gimbel's, and smaller ones up and down the land. From there a description of the mechanics of a gift counter follows. Reproductions of actual newspaper ads show how gift wrappings are promoted. Pictures and short captions give a bird's-eye view of the various types of wrappings, seals, labels, ribbons, etc.

Finale is a page reading, "All of the material shown in this portfolio

can be supplied to you by Dennison—the one organization in the United States that can furnish you with plans, counsel and complete wrapping materials . . ."

Similar books are used to induce manufacturers to wrap their products specially for Christmas, Easter and other holidays, and to promote sales of Dennison wares to consumers at Christmas. All three portfolios are suggestive, not comprehensive, with a soft pedal on "our company." They can be carried around easily, placed on a buyer's desk and leafed over without suggesting that the salesman is trotting forth an unabridged dictionary.

Gift wrappings scored a tidy increase last Christmas. With these sales tools, which have been heartily received by Dennison's men, a further advance is anticipated throughout the year.

### Grits and Grinds

Norton Co., abrasive manufacturer of Worcester, Mass., has been publishing its technical House organ, *Grits and Grinds*, for 28 years in French, German, Swedish, an American, and an English edition.

The mailing list, of some 50,000 factory foremen, production managers, operators, and other key buyers of abrasive products, is made up by Norton salesmen and executives, and kept in trim by them.

Norton's organ sounds the leading note in each ad campaign. If the theme, for instance, is on centerless wheel grinding, then business paper ads, direct mail, and the house organ's lead story repeat that subject. While *Grits and Grinds* is sent to the entire mailing list, direct mail pieces would go only to those known to be interested in centerless wheels. This system has made a genuine salesman out of the house organ. Pushing toward its second quarter of a century, it is still youthfully lusty.

# ILLUSTRAVOX

## SENIOR



TELLS YOUR STORY TO  
FIVE OR FIVE HUNDRED

WITH VOICE  
AND PICTURES

Whether your sales audience or training group consists of one or five hundred—the ILLUSTRAVOX SENIOR will project and reproduce your sound slide-film story—powerfully, dramatically and convincingly. It is portable too, easy for anyone to set up and operate at a moment's notice. You need Illustravox presentations in your business. Write for details.

ELECTRO-ACOUSTIC PRODUCTS COMPANY

FORT · WAYNE · INDIANA



## Back Seat Driving Solves Problem of Price Competition

"It can't be done," said the salesmen. "It must be done," said their wives. "All sales records were shattered," says Sam Zeitlin, vice-president of American Products Co., explaining a contest that made a sales squad of salesmen's wives and mothers.

American Products Co. manufactures and distributes bakery, confectionery and kindred supplies and equipment, with houses in Dallas, Ft. Worth and Amarillo, Texas. Its salesmen frequently complained that there was so much cheap vanilla on the market that they couldn't sell any noticeable volume of the firm's quality vanilla powder. But the sales manager and executives wanted more volume on this item, which carries a fair margin of profit.

A sales contest was announced; a meeting was held with all the salesmen. Even the veterans said it couldn't be done, and they were not particularly enthusiastic even though the commission was very attractive.

A surprise awaited these chaps when they reached home that night. Unknown to the salesmen, American Products had mailed a china bowl to each salesman's wife or mother. With the bowl was a letter explaining that there were exactly 92 more pieces of this fine china pattern awaiting her—a piece to be sent her every time her husband or son sold a single pound of vanilla, or four pieces with four pounds.

The china sets were of high quality, costing approximately \$25 a set at wholesale in quantity lots, or worth more than \$40 at retail prices. The salesmen who "couldn't sell vanilla" came in within two days to ask for an extra stock. One salesman sold 92 pounds the first week, which represented his average volume for six months prior to this time. He explained that he would just get that matter settled with his wife.

All men found to their surprise that they could sell quality vanilla in the face of price competition; and that their efforts were doubly rewarded—in good commissions and in pleasing their womenfolk. For the laggards who didn't keep pace, a letter went to the wife or mother at the end of a week or ten days, telling her that it was too bad Bill was not getting

her dishes as fast as he might . . . that some of the women had their complete sets already, and that the vanilla *could* be sold because many orders for it came by mail unsolicited.

These letters caused the home fires to burn beneath the reluctant salesmen. The contest was set for a period of ten weeks. One man got two sets of china during that period. Three-fourths of the men got their sets within the required time. The remainder were allowed to sign a pledge card. They were given 15 more days to make their quota; but were allowed

to take the completed set home at the end of ten weeks to hold the respect of their wives. Every salesman made good on the pledge.

This last gesture of cooperating with the salesman to help the slow ones save their faces at home was effective, for the wives never quit applying pressure until they had their complete sets of china. In sending out the pieces a record was kept, and at no time was a wife allowed to get any pieces to the set complete, such as all the cups to accompany the saucers. She had to keep building.



## CUT SALESMEN'S MILEAGE COSTS TO 3 1/3c. or less

Our leasing cost is considerably lower than your present cost price of a new car and includes complete maintenance.

### NO CAPITAL INVESTMENT

**WHAT IS OUR PLAN:** We lease nationally one or more Dodge, Plymouth and Chevrolet sedans or coaches at an annual rate so low that substantial savings are assured.

**WHAT OUR RATE INCLUDES:** A new car every 12 months. License plates in whatever states operated.

Fire, theft and collision insurance.

We include all items of service, maintenance and repairs of every kind and description.

Chains and anti-freeze.

Oil and grease.

Tire repairs and replacements.

Replacement of cars without any additional cost if destroyed by fire, collision or otherwise.

Purchase of your present equipment at fair appraisal value.

### COST

**ANALYSIS:** Plymouth or Chevrolet Sedans or Coaches \$45.00

Dodges (slightly higher per month)

Rental cost per year based on \$45.00 per month .....\$540.00

Based on 24,000 miles, the average yearly mileage of salesmen and 18 miles per gallon or 1¢ per mile for gas..... 240.00

Average fleet cost Public Liability and Property Damage insurance 30.00

Per month

\$810.00

This total of \$810.00 divided by 24,000 miles gives you a total operating cost of .0337 cents per mile. As mileage increases, your cost per mile decreases because our rate remains standard. At 30,000 miles

per year your cost would be .029 cents per mile.

Our rate includes every item of expense incident to the operation of cars, except gasoline and Public Liability and Property Damage insurance which we do not furnish. The cost of these two items has been approximated, as above, based on our past experience. By adding these costs to our leasing charge we set forth what your actual cost per year or per mile should be under our plan.

**WHY YOU SHOULD BE INTERESTED?** Salesmen relieved of all worries and

responsibilities prevalent with personally owned cars.

Corporations relieved of necessity of maintaining costly service garages.

**No capital investment.**

New cars every year, minimizing accidents. You can estimate accurately your car costs a year in advance.

Cars always have a creditable appearance.

Use of **decalcomania** permitted.

No restrictions on mileage or use of car at any time.

*Fleet cost comparisons will be furnished upon receipt of information as to the present number of cars used by your company and how owned and operated. Such information will be treated by us as strictly confidential.*

*We guarantee 100 per cent transportation. Complete references supplied.*

## The R. A. Company

Automobile Leasing Nationally

G. J. EGAN, New York Manager

Chanin Bldg., 122 East 42nd Street

New York City - (Ashland 4-9653)

ALSO PHILADELPHIA, PENNA.





**Redipoint.**  
**BROWN & BIGELOW**  
*Remembrance Advertising*  
 REG. U.S. PAT. OFF.  
 SAINT PAUL • MINNESOTA

# NEW

JUST OFF THE PRESS  
**HAGSTROM'S**  
 Outline Maps  
 of  
**NEW ENGLAND**  
 AND THE  
**PHILADELPHIA**  
**TRADING AREA**

Up-to-date maps of two  
 rich markets.  
 Send for details and prices.

**HAGSTROM CO., INC.,**  
 20 Vesey St., New York, N.Y.

We are interested in:-

- ☐ New England map.  
☐ Philadelphia Trading Area map.

Firm \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_



## That 5,000 Consumer Study

*Editor, SALES MANAGEMENT:*

After studying the results of the survey on drug and house furnishings ads, and in the light of my general impression concerning the success of many of the products, it becomes evident that the public purchases in spite of the unfavorable impression which advertising may have made. Personally, however, I should want a high ratio of "favorable" mentions. Without that, one might suddenly find his business structure built on a foundation of sand.

I have only one misgiving: The public's attitude may make advertising men smug and complacent. In reality they have a tremendous obligation to bring up the ratio of "favorable" impressions to advertising. If it were not for my recollection of the 7th verse of the 8th Chapter of St. John, I should be tempted to say to the drugs and toilet goods group that they should set as an objective for 1938 the doubling of their present ratio of 32% "favorable" to total mentions.

CHESTER H. LANG,  
*General Advertising Manager,*  
*General Electric Co.,*  
 Schenectady, N. Y.

*Editor, SALES MANAGEMENT:*

I notice there are quite a number of fast moving nationally advertised items which rank very low in "favorable" mentions. With that in mind, it seems to me that a large number of mentions—either "favorable" or "unfavorable"—seems to be important, and that the ratio of "favorable" mentions does not seem to mean very much.

T. N. WEATHERBY, *Sales Manager,*  
*Emerson Drug Co.,*  
 Baltimore, Md.

*Editor, SALES MANAGEMENT:*

Your question as to whether or not a large number of mentions, either favorable or unfavorable, is more important than a high ratio of favorable mentions is an interesting one. In my opinion this depends somewhat upon the type of product which is being advertised. In products dealing with personal hygiene, I would be inclined to believe that a large number of mentions, either favorable or unfavorable, would be more important than a smaller number of only favorable mentions. In order to get people to use certain products they must be shocked; and although this shocking process frequently leaves an unfavorable impression, nevertheless it is effective and the product which brought about this change of thinking would be most likely to be the one purchased. On the other hand, I would say that a building material which receives a large percentage of unfavorable mentions should change its advertising approach, since the appeal for building materials is either

from the beauty or utilitarian standpoint and there is no reason to offend people in making either of these approaches.

E. L. PATTON, *Advertising Manager,*  
*Pittsburgh Plate Glass Co.,*  
 Pittsburgh, Pa.

*Editor, SALES MANAGEMENT:*

I'm afraid I cannot interpret the findings in the survey among 5,000 consumers on drug and house furnishings ads.

There is an apparent contradiction in the fact that a large number of companies which secured a high percentage of unfavorable mentions are among the most successful companies in the country. Maybe the most pleasing advertising is not always the most successful.

A. E. TATHAM, *Advertising Manager,*  
*Bauer & Black,*  
 Chicago, Ill.

*Editor, SALES MANAGEMENT:*

I should say that a larger number of mentions, whether "favorable" or "unfavorable," is much more important than a high ratio of "favorable" mentions. To me, the mentions prove a large reading audience regardless of the nature of the impression the ad leaves.

STANLEY NOWAK, *General Sales Manager,*  
*Schick Dry Shaver, Inc.,*  
 Stamford, Conn.

(And what do you think of the comparative importance of "favorable" mentions and "unfavorable" mentions of advertisements? SALES MANAGEMENT is eager for other opinions on the subject.—THE EDITORS.)

## Pat on the Back for THT

*Editor, SALES MANAGEMENT:*

Frequently, but not too frequently, in the past my attention has been captured by T. Harry Thompson's subtle references to the part he played in bringing about the invention of the "non-skid bathtub." May I add my feeble congratulations.

Being, however, a reticent soul, I am loath to add my clarion call to the voice of the multitude (surely there must be others) of those new-car owners north of the M & D Line who have this Winter been confronted for the first time with the "sky-view rear vision window problem." I have, Harry, but to park my '37 version of Apollo's taxi for the space of ten short minutes in any snowstorm to find, upon my return, the rear vision window completely "snowed under." Why couldn't the manufacturers equip the rear windows with wipers with the same intent that they appear in the bow of the damned things? There are, however, two other solutions: You may take your choice of getting your gloves completely and thoroughly soaked by removing said snow from the window, or you may trust to luck and pull blindly away from the curb, hoping you

SALES MANAGEMENT

won't suddenly find some other poor devil's motor sitting in your lap.

Incidentally, as soon as possible, send me a bill covering my membership in "The Society for the Prevention of the Half-Witted Use of Balloon Advertising." Add to my list of pet aversions transcribed radio conversations beginning "Oh, dear; I've got that acid indigestion again!" "Then, here, CHEW THESE TUMS; Tums, etc., etc.," and, in dulcet feminine tones addressed to the newest potential president, "All right, darling, but be sure to tell the grocer to give you Ward's SOFT BUN BREAD, etc., etc." Cripes, those two are enough to (pardon me) tear my guts loose from their moorings.

JOSEPH C. GILLILAND,  
Sales Manager, Carbon Dept.,  
The General Manifold & Printing Co.,  
Franklin, Pa.

## More About Pictographs

Editor, SALES MANAGEMENT:

We are delighted with the mention made of Harvey C. Fruehauf as a "Trailer Man," in the January 15 issue of SALES MANAGEMENT.

Your magazine continues to be one of the most interesting and helpful books that come to our desk—and your pictographs are an outstanding feature for which we wish to congratulate you.

L. C. ALLMAN, Director of Public Relations,  
Fruehauf Trailer Co.,  
Detroit, Mich.

Editor, SALES MANAGEMENT:

We should like to have your permission to reproduce the pictograph entitled "Is Consumer Demand a Myth?" which appeared in the January 1 issue of SALES MANAGEMENT, for use in the sales portfolio of our field sales force.

Is this agreeable to you?

J. C. CRANMER,  
Canada Dry Ginger Ale, Inc.  
New York, N. Y.

(Do any of our other readers wish to reproduce pictographs in their house organs, etc.? We will always be glad to extend such permission.—THE EDITORS.)

## Taxes and Business

Editor, SALES MANAGEMENT:

Permit me to add my congratulations to the numerous others you have doubtless received on the service you have rendered in publishing the article in the January 1 issue entitled, "What About Proof That Taxes Are Strangling Business?"

These reports direct from various medium-sized manufacturers are the most convincing evidence that could possibly be secured. As a matter of fact, I think few of us have realized how definitely and extensively the undistributed profits tax has hamstrung the expansion of business.

Copies of this article should be placed in the hands of every Congressman.

FRED J. WRIGHT,  
Fred Wright Co.,  
St. Louis, Mo.

## Applause for Brass E. Tacks

Editor, SALES MANAGEMENT:

The article in your January 1 issue entitled, "Is 'Free' Merchandising Service with Advertising Really Free?" is a gem. This idea of free merchandising service is such a vulnerable balloon that I hope you keep sticking more pins in it.

PAUL M. HARLAN,  
M. E. Harlan Co.,  
San Francisco, Cal.

# ONE PAPER IS ALL YOU BUY!

THAT  
CUTS

SELLING  
COSTS

THE cost of sales is an important factor these days. That's why so many advertisers are concentrating on the Booth Michigan Market, where eight Booth papers cover eight large, profitable markets. Spend your advertising dollars where they'll buy the most—in the Booth Michigan Market. Ask I. A. Klein, 50 East 42nd Street, New York, or John E. Lutz, 435 N. Michigan Ave., Chicago.

## IN BAY CITY IT'S THE TIMES

Circulation 24,205. Retail trading zone population 135,651. A city of single homes—practically no apartments.

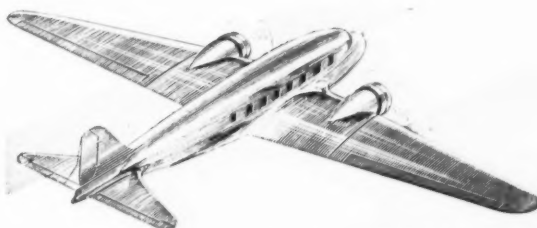
Visiting vacationists spend  
\$300,000,000 in Michigan every  
Summer.

## BOOTH MICHIGAN NEWSPAPERS

YOUR MICHIGAN MARKET OUTSIDE OF DETROIT

Grand Rapids Press  
Flint Journal  
Saginaw News  
Kalamazoo Gazette

Jackson Citizen Patriot  
Bay City Times  
Muskegon Chronicle  
Ann Arbor News



## Sample by AIR EXPRESS BRINGS \$10,000 ORDER

Bids closing, so smart salesman AIR EXPRESSED 2-lb. special sample 800 miles in 5 hours. Booked \$10,000 order next morning. Cost? \$1.16. Boost your sales with super-swift deliveries of new samples, style goods or rush refills—2500 miles overnight! Nationwide service; also to Canada, Latin America, Honolulu, and Far East. For service or information phone any RAILWAY EXPRESS office—AIR EXPRESS Division.



TORONTO  
MONTREAL  
WINNIPEG  
LONDON, Eng.

## GIBBONS KNOWS CANADA

J. J. GIBBONS LIMITED • ADVERTISING AGENTS

REGINA  
CALGARY  
EDMONTON  
VANCOUVER





# MEDIA AND AGENCIES

Media Promotions, Statistics, Bright Spots and Shifting Personnel . . . Headlines of the Advertising World

## Grey Matter

Twice a month for nearly three years Grey Advertising Agency, New York, has issued *Grey Matter*. This little four-page "bulletin of current ideas and facts that move merchandise" suggests in itself why this agency has grown for more than 20 years. For *Grey Matter*, as its name implies, is sane and practical.

Grey has developed a distinctive concept of its functions. It is concerned not with advertising alone but with the larger all-around job of "moving merchandise." It believes that merchandising the advertising is at least as important as the advertising itself.

Continuing development of this concept and its recognition by advertisers are responsible for the fact that Grey's business in the last five years alone has grown 300%.

Lawrence Valenstein, Grey's founder and its president and treasurer, named his agency for the color of the walls of its first office.



With perhaps 5% of U. S. advertisers, reasons Grey, advertising may be regarded as the principal sales function. These are the great concerns such as Camel cigarettes and Wrigley's gum which have spent millions annually for years to build spontaneous demand.

The other 95%, however, cannot afford to create with their advertising alone more than a limited consumer demand. They have, however, relatively more *consumer acceptance*, and even more *consumer interest*.

The retailer has the power—if he will exercise it—to convert this interest and acceptance into active demand. Proper merchandising and promotion at the point of sale helps to accomplish this.

Although Grey is a full-fledged advertising agency with a staff of 71 people and with 41 accounts—with copy, art and other departments—the most distinctive and vital part of its work is putting the retailers *actively into the program*. Grey's consumer advertising is planned to be part and parcel of a complete merchandising and promotional program designed "to interest, excite and get the cooperation of the retailer."

And this means not only the retailer and his salespeople but the jobber and his salesmen. It means working closely with such people. It means experience with their methods and problems.

Most of the executives and writers of the agency have had department and other

store experience. Much of the agency's work is on merchandising and sales promotion work for the retail accounts of its clients. This takes manpower. Grey claims that it has twice as many people as other agencies with similar business. It takes traveling and contact. Grey executives go out with their clients, cover many thousands of miles yearly, working with jobbers and stores.

Not only that, but for the last ten years Grey has functioned as the sales promotional Division of Kirby, Block & Co., resident buyers in New York for more than 200 stores throughout the country. Kirby, Block & Co. buys \$200,000,000 worth of merchandise a year. It occupies the seventh and eighth floors in the mercantile building at 128 West 31st Street. Grey Advertising Agency is on the ninth floor. Grey people spend about as much time at Kirby, Block's talking with the scores of buyers who come there daily, as they do in their own shop.

Grey also prepares and issues a monthly promotion plan covering the operations of every department in a department store. Each plan runs about 150 pages and reaches 137 stores. These stores have sufficient



(Below) Arthur C. Fatt, v.-p. and executive secretary.



(Above) Vice-President Joseph Levine

faith in this advertising agency's ability to help them that they *buy* the service. They pay a substantial annual fee—varying in amount with the sales volume of the store.

*Grey Matter* is Grey Agency's promotional wedge to prospective advertisers. In addition to telling ideas adopted by various advertisers—particularly "ideas" which pan out—each issue tells "facts" about Grey's own methods of helping to build businesses.

The agency does not call on prospects unless and until it is asked. And when its representatives do call they emphasize that "advertising is merely part of the general marketing program." Advertising "cannot produce full results unless it is the kind of advertising that will enthrall and excite the retailer and unless it is properly merchandised to and through the distributing trade."

Grey gets along pretty well without presenting "plans" on the first call. It does

not present sweeping, cure-all ideas." Analysis comes first.

Grey does not usually operate on the straight 15%-for-space-bought basis. Sometimes it's a fee basis, sometimes commission, sometimes a combination of the two. It all depends on the specific job to be done.

Since a department store is simply a group of stores in various fields under one roof—drug, grocery, sporting goods, hardware, stationery and whatever—the variety of Grey's clients—and their total business probably is more than \$80,000,000 a year—refutes the assertion that department store experience means merely "garment trade" knowledge.

Some of Grey's 42 clients are Dennison Manufacturing Co., stationery products; Harriet Hubbard Ayer cosmetics; Pinaud, Inc.; Sales Affiliates, beauty preparations; Deltex rugs; Rice-O'Neil shoes; American Lady corsets; Fruit of the Loom fabrics; A. Hollander & Son, fur dressers and dyers.

Recognition of the agency's merchandising experience is indicated by the fact that some of its clients pay Grey a larger annual fee than the total amount they spend annually in advertising.

This fee is earned by endeavoring to make the Grey service as valuable as possible, and in as many ways as possible, in the building of the client's business. Dennison, for example, has about 10,000 items. Edward B. Weiss, the vice-president of the agency who handles this account, works to increase the number of profitable items. From 18 to 35 subjects are discussed at each fortnightly meeting with Dennison executives at their headquarters in Framingham, Mass.

Lawrence Valenstein founded Grey and has been its president and treasurer for these 20 years. (The agency was named after the color of the walls in its first offices.) Arthur C. Fatt is vice-president and executive secretary. The other vice-presidents in addition to Mr. Weiss are James H. Lang, Jr. (also copy director), and Joseph Levine. Robert Varol is art director.

All of the major executives are actively engaged in working with clients, and with helping to project their products among jobbers and stores.



Vice-President Edward B. Weiss, whose services to client Dennison, described above, are typical of the Grey technique.

How much they have learned about these trade factors is suggested by the titles of two books recently written by Mr. Weiss:

"How to Sell to and through Department Stores" and "How to Sell to and through Wholesalers."

As one issue of *Grey Matter* said: "Half the people who enter a department store do not buy. Of those who buy, only half buy as much as they actually could be sold."

Grey Advertising Agency believes its mission in consumer advertising is to get more people into stores ready and willing to buy the products of its clients and then to help the stores sell them to the limit of their capacity.

SALES MANAGEMENT



## Farm Journal's Half Billion

Walter Pitkin, in the March *Farm Journal*, gives his readers a tip which he says is worth half a billion in cash. He refers to the possibilities under the new Federal Housing Act passed a few weeks ago. His plan is to get farmers to help themselves through group action in building. Tens of thousands of farmers who wouldn't act immediately as individuals or who wouldn't bother to do a small job alone or who wouldn't get quick FHA action on small, individual loans, will join (if his plan is adopted) on a community drive where all jobs are soundly planned, loan applications bunched together, and the costs held down by well-planned use of idle labor on the farm and of idle farm tractors and trucks. He thinks it is possible for farmers to have \$6,000 homes for barely half the price a city family will pay for the same.

He urges farmers to organize in groups of ten or more and revive the spirit and the effective method which used to be followed in all farm communities at barn-raising. Quoting from Mr. Pitkin, "in my boyhood, farmers came from ten miles around to help raise the barn timbers. They made it a holiday." He goes on to show farmers how one farmer's tractor and a couple of other farmers' trailers can haul stone for many farm buildings—while other farmers' trucks and trailers can haul cement and other materials for neighboring farms. Paint can be bought in bulk, and a paint crew of the farmers who are the best painters can mop up the painting on a group of farms, after the farmers who are best at stonework or masonry or carpentering have done their jobs.

## New Medical Magazine

*Medicine Today*, 425 Fourth Avenue, New York, a new publication for doctors and others closely allied with medicine, made its appearance this month. It is a monthly, starting with a circulation of 5,000, designed editorially to report papers read by physicians at their local, state and national meetings and to cover research activities in medicine and surgery, and new drugs. Dr. Benjamin M. Bernstein is editor.

## Facsimile of Broadcasting Makes Progress

Facsimile broadcasting as a practical reality seems to be coming closer and closer. RCA demonstrated a newly developed facsimile transmitter and receiver in Washington last week during the convention of the National Association of Broadcasters. To date seven large radio stations have placed orders for the new equipment and have applied to the Federal Communications Commission for permission to carry on their experimental programs. Of the seven, five are owned by newspaper publishers: KMJ, Fresno, and KFBK, Sacramento, Cal., owned by the McClatchy Properties; WBEN, owned by the Buffalo *Evening News*; WTMJ, owned by the Milwaukee *Journal*; KGW, owned by the Portland *Oregonian*. The other two stations are WOR, owned by L. Bamberger Co., Newark, N. J., the New York area outlet of the Mutual Broadcasting System, and KHQ in Spokane, Wash. According to Louis G. Caldwell, in the 1937-1938 Radio Directory of *Variety*, about 30% of the 704 broadcast stations in the United States are owned or controlled by newspaper interests. It would not be surprising if the percentage went up rather considerably during the next ten years.

MARCH 1, 1938

# 182,964 SALES MANAGERS!



*—not a gigantic sales convention, but  
the number of retailers who are members  
of the American Legion—readers of  
THE AMERICAN LEGION MAGAZINE*

● Each of these 182,964 Legionnaires is a sales manager—owns his own business. Because he is sales manager of his own business, he is interested in your product. Because he is a member of the American Legion, he is interested in the one magazine edited for his proven interests—The American Legion Magazine.

This definite tie-up between dealer and magazine gives The American Legion Magazine a definite merchandising value unique in publishing experience.

We know the Legionnaire retailer reads this magazine, and respects it as an advertising medium. BUT—you don't have to take our word for it. We ask you to make this simple test...

Have your salesmen ask their dealer customers if they are members of the American Legion and what they think of The American Legion Magazine as a merchandising medium.

After you tabulate your answers, *run*, don't walk—to your advertising department and tell them The American Legion Magazine is a "buy" (rate per page per thousand \$1.65) *one*—because of its great merchandising value; *two*—from the consumer's standpoint. (968,062 loyal subscribers!)

# THE AMERICAN LEGION MAGAZINE

Chicago  
307 N. Michigan Avenue

New York  
9 Rockefeller Plaza

Detroit  
General Motors Bldg.

**182,964 DEALERS INFLUENCE MILLIONS OF CONSUMERS**

[71]



Adverteyes is the word behind a current advertising promotion campaign being carried on by the St. Louis *Star-Times*. Full-page advertisements with the same theme as the one reproduced here ran twice a week during the month of February and will appear thereafter weekly for an indefinite period. Billboards and car cards are being used to tie in with the newspaper campaign directed to consumers, and direct mail is being used to promote the idea among St. Louis advertisers.

#### Media Notes

Fawcett Women's Group has sent out a bro-a-side about three feet by four to tell the world that there may be a business recession, but their circulation has gone over the 3,000,000 mark and they aren't worried. And you can chalk up another "largest issue in history" for *Restaurant Management*, published by the Ahrens Publishing Co., Inc., New York; the February issue was the largest issue for that month in the history of the magazine. Modernization of restaurants seems to be the incentive, especially air conditioning. . . . *Parents'* magazine just issued its largest March issue.



Richard T. Whitney has been promoted to western advertising manager of *Redbook*, with headquarters in Chicago. Before joining the magazine in 1930, shortly after it was purchased by the McCall Corp., Mr. Whitney was advertising manager of the Hood Rubber Co., Watertown, Mass.

Directors of the Southern Newspaper Publishers Association have approved raising a fund of \$225,000 to "sell southern newspapers as an advertising medium." George C. Biggers is chairman of the SNPA advertising committee.

The F. W. Dodge Corp. has purchased

the *American Architect and Architecture*, formerly published by the Hearst organization, and is combining it with Dodge's own magazine, *Architectural Record*, effective with the March issue. Although this expands *Architectural Record's* coverage, no advertising rate change will be made in 1938. . . . *Carpet and Upholstery Trade Review* has been purchased by the Haire Publishing Co., and will be continued under that name. John Tashjian continues as editor and James G. Leestma as advertising manager. The company also has bought *The Style Trend*, which will be merged with their publication *Fabrics and Fashion*.

Nine directors were elected to the board of directors of the Penton Publishing Co., Cleveland. John A. Penton was re-elected chairman; E. L. Shaner, president and treasurer; G. O. Hays and J. R. Dawley, vice-presidents; F. G. Steinebach, secretary; E. L. Werner, assistant treasurer and auditor.

William L. Mullin, formerly of the *Wall Street Journal*, has joined the advertising staff of *McCall's*. . . . H. B. Todd has been appointed eastern advertising manager of *Pic*. The Archer A. King, Inc., organization becomes western advertising director of all Street & Smith publications, of which *Pic* is one, and William P. Flanders, formerly of *Dry Goods Economist*, has been made sales promotion manager of the same group.

Allen Grover has been made assistant to Henry R. Luce, president of Time, Inc. . . . George T. Eggleston has become associate publisher of Harlan Logan & Associates, publisher of *Scribner's* magazine. . . . J. P. Lohman has been made editor of the *Homefinder* magazine, New York.

#### Broadcasting News

World Broadcasting System has given out some encouraging news for the transcribing services. Some 13,693 station periods were sponsored in January, 1938, as against 8,101 in the same month last year, an increase of 69%. Thirty-three advertisers in eight trade classifications sponsored the transcriptions on nearly 400 stations. . . .

The Yankee and Colonial networks have issued a 16-page booklet describing a new merchandising policy for advertisers. . . . Mutual Broadcasting System will double its own advertising campaign this year over that of 1937. . . . International Radio Sales has been appointed exclusive national representative of stations WDRC, Hartford, and WORC, Worcester. Both stations are part of CBS.

#### Agency Notes

Effective today, F. Wallis Armstrong has sold his agency in Philadelphia to L. Ward Wheelock, Jr., who has been associated with him for many years. The agency will henceforth be known as the Ward Wheelock Co. There will be no change in the personnel or in the list of clients.

Also effective today, Fletcher & Ellis, Inc., New York, will change its name to Sherman K. Ellis & Co., Inc. There will be no change in personnel, officers or directors. . . . Gordon E. Hyde, Charles R. Marshall and Charles S. O'Donnell have been appointed vice-presidents of J. M. Mathes, Inc., New York.

#### Agency Appointments

Maytag Co., Newton, Iowa, to McCann-Erickson, Inc., Chicago. . . . The Pure Oil Co., Chicago, to Thornley & Jones, Inc., New York and Chicago. . . . The United States branch of the Pearl Assurance Co., Ltd., of England, to Metropolitan Advertising Co., New York. . . . Meister Brothers, Cleveland and New York, sellers of monogramming equipment, to Grey Advertising Agency, Inc., New York. . . . Modern Kitchen Bureau to Ralph H. Jones, Cincinnati and New York. . . . Sperry Gyroscope Co., Inc., Brooklyn, to Charles J. Cutajar, New York.

Transcontinental & Western Airways to J. Stirling Getchell, New York. . . . G. Kreuger Brewing Co., Newark, to Young & Rubicam, New York. . . . Rockwood & Co., Brooklyn, manufacturers of cocoa, chocolate bars, etc., to Federal Advertising Agency, New York.

## Survey Shows Price Maintenance Still Favored by Retail Druggists

(Continued from page 32)

### 5. On what price-maintained brands have sales increases been most noticeable?

Following is the score-sheet of those receiving three or more mentions from this question. Of course it should not be assumed that the sales increases were necessarily brought out by fair trade registration. Other facts, such as consumer advertising and special promotion may have been even more important. The figures given below are the number of druggists who mentioned the item. The question was asked of 145 chains and 307 independents, a total of 452.

	Chain	Independent	Total
Mineral Oils			
Agarol . . . . .	1	5	6
Nujol . . . . .	3	4	7

Petrolagar . . . . .	4	8	12
Squibb . . . . .	—	3	3
Laxatives			
Ex-Lax . . . . .	2	8	10
Feen-a-mint . . . . .	1	4	5
Fletcher's			
Castoria . . . . .	1	12	13
Shaving Cream			
Mollé . . . . .	2	5	7
Williams . . . . .	3	1	4
Colgate . . . . .	4	22	26
Palmolive . . . . .	3	4	7
Antiseptics			
Pepsodent . . . . .	9	31	40
S. T. 37 . . . . .	3	4	7
Listerine . . . . .	17	47	64
Lavoris . . . . .	—	6	6
Lysol . . . . .	1	2	3
Hair Treatments			
Fitch's . . . . .	4	8	12
Vitalis . . . . .	3	12	15
Toothpastes and toothpowders			
Pepsodent . . . . .	14	58	72

SALES MANAGEMENT

	Chain	Independent	Total
Ipana .....	20	59	79
Calox .....	—	4	4
Pebeco .....	1	4	4
Colgate .....	4	32	36
Listerine .....	3	3	6
Squibb's .....	—	7	7
Lyons .....	4	3	7
Anti-Acids			
Alka-Seltzer ...	28	85	113
Bromo Seltzer ..	6	25	31
Sal Hepatica ..	13	49	62
Bisodol .....	—	3	3
Phillips Milk of Magnesia ..	6	9	15
Toothbrushes			
Dr. West .....	6	8	14
Pro-phy-lac-tic ..	—	4	4
Absorbents			
Kotex .....	5	32	37
Modess .....	—	9	9
Lotions			
Hinds Honey and Almond. —	—	3	3
Jergen's .....	3	3	6
Italian Balm ...	1	3	4
Baby Foods			
Pablum .....	1	5	6
Meads Dextro- Maltose ....	—	13	13
Cough and Cold Remedies			
Mentholatum ..	—	4	4
Bromo Quinine. —	—	4	4
Rem .....	2	2	4
Pertussin .....	—	10	10
Vick's			
VapoRub ...	4	24	28
Creomulsion ..	1	4	5
Cosmetics			
Coty's powder ..	1	4	5
Lady Esther powder .....	—	3	3
Miscellaneous Products			
Gillette blades ..	—	13	13
Carter's liver pills .....	—	3	3
Kleenex .....	—	7	7
Bayer Aspirin ..	13	23	36
Ovaltine .....	—	3	3
Parke Davis' Vit- amin Comp. ..	—	3	3
Nervine .....	2	1	3
Colgate Cash.			
Bouquet ....	1	2	3
Squibb's Cod Liver Oil ....	—	3	3
Squibb's Pds. ..	10	19	29
Coty Pds. ....	1	3	4
Colgate Pds. ..	10	17	27
Upjohn Co. Pds. ....	1	4	5
Lady Esther Pds. ....	—	3	3
Miles Lab. Pds. ....	1	3	4
Pepsodent Pds. .	6	15	21
Bristol-Myers Pds. ....	3	5	8
Lilly's Pds. ....	1	2	3
Hudnut Pds. ....	3	—	3
Lyon's Pds. ....	—	3	3
All Products ....	8	17	25
Don't Know ....	5	8	13
None .....	60	72	132

## 6. On what price-maintained brands have sales been most unsatisfactory?

Two factors tempered the replies to this question. Apparently most druggists were honest in believing that very few products had fallen off in sales because of price maintenance, and even when they did think of products they were inclined to hold back, because their enthusiasm for the *principles* of price maintenance made them reluctant to make any manufacturer feel discouraged over the workings of the Fair Trade Act.

We confine the listings under this question to those products receiving three or more mentions:

	Chain	Independent	Total
Alka-Seltzer ....	2	1	3
Bayer's Aspirin ..	3	1	4
Bromo Quinine ..	1	4	5
Bromo Seltzer ...	5	2	7
Carter's liver pills	1	6	7
Colgate shaving cream .....	1	2	3
Eskay's Neuro Phosphates ....	2	1	3
Hind's Honey and Almond .....	2	4	6
Iodent .....	2	1	3
Ipana .....	3	5	8
Italian Balm ....	3	5	8
Jergen's Lotion ..	—	4	4
Junis Cream ....	2	3	5
Lady Esther Cream	3	1	4
Listerine .....	1	9	10
Lysol .....	3	4	7
Nujol .....	3	2	5
Ovaltine .....	4	2	6
Pepsodent			
Antiseptic ....	2	6	8
Pepsodent t.p. ....	—	4	4
Pertussin .....	—	5	5
Petrolagar .....	1	3	4
Phillips Milk of Mag. ....	3	4	7
Pinkham's Veg. Comp. ....	—	3	3
Pond's Face Cream	2	8	10
Prophylactic ....	1	2	3
S. T. 37 .....	3	—	3
Squibb's Products	—	3	3
Vick's Products ..	3	—	3
Vick's VapoRub .	1	4	5
All Products ....	7	2	9
Don't Know ....	12	8	20
None .....	86	229	315

## 7. Were you in favor of a Fair Trade Act prior to its passage?

	Chain		Independent	
	No.	%	No.	%
Yes .....	120	83	298	97
No .....	22	15	9	3
No answer ..	3	2	—	—

# IT TAKES JUST ONE TESTED SENTENCE

to make  
more prospects buy

FIVE little words sold a million gallons of gas. A 4-word sentence tripled shoe-polish sales. Two well-chosen syllables changed nickles into dimes. Another tested sentence jumped hand-lotion sales from 60 to 927 bottles in one week, in one store. There are thousands of other phenomenal examples of the sales power in Tested Selling Sentences—word-magic that gets two sales where one grew before. Whether you sell "service" or turbines, through dealers' salesmen or your own, whether your average sale is 5¢ or \$50,000, here is an astoundingly effective, intensely successful, instantly usable technique for "clicking" with your prospects more often, more profitably. Every executive, every sales-manager, every salesman stands to profit enormously by learning and putting to work the simple art of Tested Sentences That Sell. **\$3.75**

## TESTED SENTENCES THAT SELL

Money Back  
if not  
unconditionally  
satisfied.

BY ELMER WHEELER  
Pres., Tested Selling Institute

Order from your bookstore, or send check to:

PRENTICE-HALL, Inc.

70 Fifth Ave., Dept. TH-38, NEW YORK

## MR. MANUFACTURER !!

Are you satisfied with your  
NEW ENGLAND VOLUME

### A Sales Organization

is seeking a quality product or line for distribution in this territory.

This organization is operated by a group with long years of outstanding accomplishment.

It is adequately financed and completely manned.

It can operate directly as your sales force, maintaining offices, etc., in your identity; or as your distributor, including warehousing, billing, etc.

It can organize to cover retail, wholesale, consumer or industrial markets.

This offers a genuine opportunity for a substantial manufacturer to build real volume in New England.

Further details may be had  
by addressing: **R. M. RAUH,**  
733 STATLER BUILDING  
BOSTON, MASSACHUSETTS.



## MAGAZINES—

## ADVERTISING AGENCIES—

## BUILDING MATERIAL MANUFACTURERS—

How much building will be done this year?

## A MARKET RESEARCH Building Survey of the United States

TELLS—what percentage of people expect to build new homes, what percentage expect to make repairs, and lists the repairs that will be made.

INDICATES—how to reach those prospective buyers of building materials by

LISTING—the magazines they read and showing the number of homes in which each publication was found.

ALL DATA—are broken down according to class of home and section of the country.

Other interesting information on the building market will be found in the April issue of MARKET RESEARCH.

MARKET RESEARCH  
Rockefeller Center, New York

Please send me:

MARKET RESEARCH, 1 year ☐ (\$2)

BUILDING SURVEY ☐ (\$2)

Both BS and MR ☐ (\$3)

I enclose \$..... Bill me ..... (Foreign \$1 Extra)

Name .....

Address .....

Business Connection .....

[74]

## 8. Do you favor it today?

	Chain		Independent	
	No.	%	No.	%
Yes .....	120	83	291	95
No .....	24	16	16	5
No answer ..	1	1	—	—

The answer to this question is convincing proof that druggists have not become either disillusioned or discouraged. Only a few former optimists have lost their enthusiasm.

The kicks registered by druggists fell largely into two groups: (a) Insufficient profit margins, and (b) lack of prompt legal action against non-conformers. Nearly every big-city druggist cited at least one instance of price-cutting. Some cases were direct, others of the "slick" variety, such as the Newark druggist who slightly damaged containers and then window-advertised a low price, with this line in very tiny letters under the price, "slightly damaged." Several stated that salesmen and district managers "looked the other way" when price-cutting occurred because they disliked to spend time in courts; it could be consumed more productively in contacting new accounts and non-violators.

The highest degree of enthusiasm for fair trade came from neighborhood druggists, many of them stating that it gave them a new lease on life.

It is obvious that considerable coercion has been applied against manufacturers, but it does not necessarily follow that this has been harmful to the manufacturer. Time alone will definitely answer that question. Much will depend on the degree of compliance which is achieved. In nearly every city druggists are worried over this situation, and in Pittsburgh the *Alleghany County Pharmacist* said editorially:

"A particular store advertised, in addition to other violations, a 25-cent toothpaste for 11 cents as a week-end special. Notice of the violation was made by registered letter. Mr. Rickard visited the store the following Monday, and a representative of the toothpaste company called two days later. Came another week-end, and another violation by the cut-throat on the same item, continuing, even after the sale, on the violation 11-cent price. Still, Weco Products Co., the damaged manufacturer, would not take action, using as an alibi a preposterous claim that it is their belief that a large number of buys and an involved process is necessary for prosecution.

"If this happens frequently, certain companies will soon be branded by price-cutters as weaklings and their products cut to 'Hellenback.' This will eventually make druggists evade these items whose company isn't strong enough to keep a promise, and to whom fair trade is just another thing instituted to humor the druggists. We have the law; and we have an F. T. Committee—all we need is manufacturers who will back up their signature on a piece of paper. To those who do, we must in all fairness give 100% support. To those who don't . . . use your own judgment!

"The manufacturer pays nothing for the

shopping, or policing (done by the druggists), and, therefore, should prosecute violators to show the druggists that HE wants his product protected. Prosecution of violations is, in reality, his obligation to himself, as thereby he is protecting his trade-mark, and, after all, that's why he entered fair trade!

"If he doesn't act, he must be looking for free advertising and good will from the druggists. Time will weed out these weaklings, and the manufacturer who stands behind his contract will very soon have the good will of 4,200 druggists in Pennsylvania."

## New Volumes for the Business Book Shelf

"My Adventures in Selling," by Saunders Norvell. Published by the Dartnell Corp., Chicago. Price \$1.75.

Saunders Norvell has been successively a stock clerk with the Simmons Hardware Co.; salesman for the same firm, then sales manager; president of the Norvell-Shapleigh Hardware Co.; publisher of the *Hardware Reporter*; president of McKesson & Robbins, Inc.; president of the Remington Arms Co. Currently he is a partner of Ingersoll, Norvell & Babson, management consultants.

That record, which can be matched by few men either for length or accomplishment, has won for his writings a large audience. For Author Norvell has in the experiences of Salesman Norvell a vast storehouse of anecdotes, tested methods, and apt illustrations on which to draw. He knows whereof he writes, because his knowledge was acquired through decades of man-to-man salesmanship.

SM's readers need no introduction to "My Adventures in Selling." Many of its chapters have appeared here in the past as separate articles. Demands for extra copies and for reprints have been heavy and continuous. Therefore, it will be good news to Norvell fans that they can obtain some of his most popular reminiscences in book form.

"These stories have their value not only as entertainment, but also because of some of the underlying principles of salesmanship often to be found only between the lines," says the author in his preface. "The fact that a poor young stock clerk could start working at a salary of \$5 a week, and within a comparatively few years, by the development of his selling abilities, find himself with a certified check for \$1,000,000 in his pocket . . . is just as a story well worth telling."

It is well told, too, under such headings as "Five Thousand Dozen Bull Rings"; "My Largest Stove Order"; "\$50 Hairbrushes"; "Every Man Needs a Manager"; "What Counts Most in Salesmanship"; "The Greatest Sale of My Career."

Every man concerned with selling should be interested in this backward look by one of the greatest salesmen of our times.

"Radio Advertising in Australia," by W. A. McNair. Published by Angus & Robertson, Ltd., Sydney. Price \$7.50.

"New England Community Statistical Abstracts," by Ralph G. Wells and John S. Perkins. Published by the Bureau of Business Research, Boston University, Boston. Price \$2.50.

"How to Turn People into Gold," by Kenneth M. Goode. Reissued in the Harper dollar reprint series. Published by Harper & Brothers, New York.

SALES MANAGEMENT

*"Special Libraries Directory of Greater New York."* Published by the Special Libraries Association, New York.

*"The Principles of Advertising,"* by H. K. Nixon. Published by the McGraw-Hill Book Co., New York. Price \$4.

*"Success Book."* Published by the Tycoon Publishing Co., New York. Price \$1.

*"Problems in Labor Relations,"* by Herman Feldman. Published by The Macmillan Co., New York. Price \$2.75.

*"How to Get the Order,"* by Harry Simmons. Published by Harper & Brothers, New York. Price \$2.

*"Market Research and Analysis,"* by Lyndon O. Brown. Published by The Ronald Press Co., New York. Price \$4.

*"The Shopping Guide,"* published by Whittlesey House. McGraw-Hill Book Co., New York.

*"Aptitudes and Aptitude Testing,"* by Dr. Walter Van Dyke Bingham. Published by Harper & Brothers, New York. Price \$3.

*"Meet Mr. Hyphen—and Put Him in His Place,"* by Edward N. Teall. Published by Funk & Wagnalls Co., New York. Price \$1.50.

*"Buying for Retail Stores,"* by Norris A. Brisco and John W. Wingate. Published by Prentice-Hall, Inc., New York. Price \$5.50.

*"Profitable Control of Salesmen's Activities,"* by W. M. Fox. Published by McGraw-Hill Book Co., New York. Price \$2.50.

*"Executive's Data Book."* Published by Prentice-Hall, Inc., New York. Price \$1.

*"Put It in Writing,"* by Warren Bower. Published by the New York University Bureau of Public Information, New York. Price 50c.

*"Creating Sales,"* by John R. Hartman. Published by The John C. Winston Co., Philadelphia. Price \$2.50.

*"Credit Manual of Commercial Laws, 1938."* Published by the National Association of Credit Men, New York. Price \$6.50.

*"Why Grow Old?"* by Dr. Frank S. Caprio and Dr. Owsley Grant. Published by Maxwell Droke, Indianapolis. Price \$2.50.

*"Tested Sales Compensation Plans."* Compiled by the editors of *Printers' Ink*. Published by McGraw-Hill Book Co., Inc., New York. Price \$2.00.

*"Tested Sentences That Sell,"* by Elmer Wheeler. Published by Prentice-Hall, Inc., New York. Price \$3.75.

*"What's Holding You Back?"* by Allan B. Chalfant. Published by Whittlesey House, McGraw-Hill Book Co., New York. Price \$2.50.

MARCH 1, 1938

4,386 HANDS

ALL OVER

THE UNITED STATES



TO WRITE DOWN INFORMATION YOU WANT  
FROM HUNDREDS, THOUSANDS OR  
MILLIONS OF PEOPLE

Are you sure that—

you are not overlooking a new potential market?

your merchandising plans are right?

a new idea might not sell more of your products?

you are selling through the best channels?

your prices are right?

your customers are not switching to other brands?

you could not change yours and sell more?

ARE YOU SURE that your wholesalers, jobbers, dealers and consumers could not give you valuable information, worth far more than the cost of getting it?

ASK THEM FOR FACTS. They will give them to you, if properly approached by—

**MARKET RESEARCH  
CORPORATION OF AMERICA**

120 S. La Salle Street, Chicago

Pauline Arnold

Rockefeller Center, New York

Percival White

*Gives you guidance in making marketing decisions  
and building sales and advertising plans*

[75]

**MICRO-LITE**

100% American Made

"World's Most Powerful POCKET FLASHLIGHT"

**Makes FRIENDS for YOU and YOUR PRODUCT**

Priced little more than a cigar, MICRO-LITE is a powerful goodwill and sales builder! Colorful, handy (3" small), flashes a 100 ft. beam, and has 1,001 uses. Popular with men and women. A perfect door-opener for salesmen—a smile-getter with hardboiled buyers—a sure fire hit at conventions and sales meetings. Takes standard battery and bulb. Write today for sample, prices and complete catalog.

DEPT. SM-3

**MICRO-LITE CO., INC.**  
45 West 25th St. New York

Combination Micro-Lite & Key-Case. Molded lite in 7 rich colors. Black leather case.

**OUR OWN SALESMANAGER FIGURED THIS OUT...**

**YOU PAY FOR**

*This* →

→ **WE ADD This!**

He knew the comfort of having a two-room suite when on the road... especially in New York, for conferences with "Number One" men... and he knew that salesmen usually paid \$6 and up for a double room. So we worked out this outstanding hotel value... **parlor, bedroom and bath from \$6 per day**, and no extra charge for a second person... an ideal set-up for the salesmanager with big things to think about.

**NEW YORK'S LARGEST SINGLE ROOM WITH BATH \$3.50 UP DOUBLE \$5.00 UP**

1600 ROOMS WITH RADIO AND CIRCULATING ICE WATER

Swimming Pool and Gymnasium FREE to Guests

7th AVE., at 56th ST. New York City

**PARK CENTRAL HOTEL**

"HOME OF THE COCONUT GROVE"

## How We Test and Check Products, Policies, Marketing Plans

(Continued from page 22)

requested, but that a similar item was being used as a substitute.

A further check with the users of the product and the observation of several jobs being done indicated the source of trouble. The weight of the package had been increased. The additional weight, which was considerable, increased the cost of handling the package on jobs. One man could not handle the package. It had to be opened and handled twice. As soon as the weight of the package was corrected it was again specified for jobs and sales returned to a more nearly normal level.

**Advertising and Merchandising:** Progress in developing and enlisting the cooperation of jobbers and dealers can be secured only through the adoption of policies that treat their needs and interests as identical with our own. Through close contact with the markets for the company's products we have been able to develop sound selling, advertising and merchandising programs. This is particularly true in developing selective advertising and merchandising programs for accounts. A more complete understanding of their local markets and needs has made possible selling programs designed to meet local conditions.

A study will uncover the factors which tend to influence the buying decisions for a local trading area. We are able to compare a dealer's performance and method of operation with his competitors', and determine where the set-up can be strengthened. When a survey is completed we are familiar with the dealer's problems and can suggest necessary corrective measures.

It is rarely ever difficult to determine and analyze a local problem. Frequently the real job is in getting a suggested selling and merchandising plan used. Quite often, if the territory salesman did not get the plan under way by doing the initial organization work it would never be used.

**Questionnaires:** The value of the questionnaire in market research should not be overlooked. It has proved to be a useful and simple method of securing non-technical information where data are needed from a large number of people or over a large geographical area. It is particularly useful in checking the effectiveness of advertising and merchandising programs among distributors, dealers

and consumers. If the purpose of the questionnaire is made clear, and the questions are correctly prepared, a return of at least 25 to 30% can be expected.

We occasionally find it useful in analyzing, checking and comparing the questionnaires to develop frequency distributions from the data, compute statistical averages, measure standard deviation and standard error. In some instances, multiple correlation is used in checking and comparing.

At their best, the results secured from a questionnaire can be only a sample and sometimes a relatively small sample. If the conclusions to be drawn from the sample are to be accurate, it is essential that the sample be representative. By treating the data statistically the variation of the data can usually be measured and a more accurate interpretation of the results secured. It also facilitates comparisons to two or more geographical areas. Such comparisons frequently reveal significant differences in the effectiveness of selling, advertising, and merchandising programs.

**Sales Aid:** The market studies have been useful in helping the company's salesmen do a more effective selling job. The men have confidence and readily accept all selling and merchandising policies because they know all plans are based on facts. When a new product is announced to the men they know it has been thoroughly tested and is designed to fulfill a definite need; that the selling tools and equipment given to them are complete.

The use of market research has been helpful in correcting salesmen's selling problems that arise in territories. Where a sales territory is below standard and indicates a declining trend, a study of the territory will reveal the difficulty and the remedies can be applied before any real damage is done.

This method of market research has permitted us to substitute facts for guesses whenever possible. It has been inexpensive and saved many a false start and possible costly development. It has brought us into much closer contact with the market and revealed exactly where the weak spots are and what has to be done to correct the conditions. All advertising, merchandising, and sales effort is backed and developed from facts.

SALES MANAGEMENT



# PALM BEACH

*Plus!*



Many people feel that the Palm Beach concept of a sunshine holiday just *can't* be improved. This point of view is easy to understand, for the Palm Beach of the past has been a pretty grand place—just about perfect, we think, in its pleasures and gracious theme of living and congenial personal associations.

Nevertheless, the Palm Beach Biltmore this year presents a Palm Beach vacation plan that everyone will agree adds a world of enjoyment to a sojourn on this famous island of Florida's sub-tropical coast. The Palm Beach Biltmore gives you the Palm Beach of tradition—exclusive in the best sense of the term, gay, glamorous, utterly delightful—plus a new note of luxurious resort hotel living, and a new policy of guest entertainment, club privileges and courtesy transportation, all within a moderate American plan tariff.

*First*—all the lavish comforts and services of this, one of America's greatest

resort hotels—planned, built and appointed with "best" as the only limit. *Second*—privileges, upon committee approval, of the exclusive Sun and Surf Club with its splendid beach, pool and clubhouse at the ocean's edge, and of the Palm Beach Country Club, with the finest golf course on the island, spacious clubhouse, and complete facilities for yachts and sports fishing craft. *Third*—courtesy transportation by the hotel's own fleet of aerocars, airliners of the highway, to these clubs and to the many scenes of resort activity in Palm Beach

For further information and reservations communicate with the hotel at Palm Beach, Florida, with the New York office at 551 Fifth Avenue, Suite 712, or the Chicago office at 120 South La Salle Street, Suite 1265.

*Palm Beach* **BILTMORE**  
P A L M B E A C H

Under the same ownership and direction  
as the British Colonial Hotel, Nassau, Bahamas.

## A High Grade Executive Is Available

Do you make a quality consumer product? Is your primary problem that of winning distribution and expanding volume through high grade retailers?

An executive is available for a permanent connection with such a company—a man well equipped with energy, resourcefulness, and a broad background of experience which will enable him to handle management problems with a high degree of efficiency.

This man, in addition to substantial marketing experience abroad, ten years spent in major executive capacity with a \$400,000,000 business, and a period as counsellor to several industry-groups, has the added equipment of valuable first-hand experience in handling difficult labor problems and broad angles of public relations.

He knows how to win loyalty from employees. He understands business finance, and he is thoroughly capable of planning with big retailers the kind of large-scale retail promotion which wins preferred treatment for merchandise.

Replies will be held in the strictest confidence, and an interview will be arranged on request. This executive prefers a connection in or near New York City.


BOX 572

SALES MANAGEMENT

420 Lexington Avenue, New York City



The Atmosphere of an  
Exclusive Club  
and yet over 50% of all rooms for \$3.50  
or less single; \$5.00 or less double.  
Hotel **Mayfair**  
ST. LOUIS



**WOODSTOCK  
TYPEWRITERS**



Booklets reviewed below are free unless otherwise specified, and available either through this office or direct from the publishers. In addressing this office please use a separate letterhead for each booklet requested, to facilitate handling. The address is SALES MANAGEMENT Readers' Service Bureau, 420 Lexington Avenue, New York, N. Y.

### 2,620 Store Managers Report Customers Want Family Circle

Speaking of dealer influence, as we are elsewhere in this column, there's a recent promotion piece entitled "2,620 Store Managers Told Us," which is one of the largest and most concentrated reports on this subject we have seen. Not an inventory of dealer preferences for brands, it is instead a complete and unexpurgated report of the manager of 2,620 Safeway Stores, on their own and their customers' reactions to the magazine, *Family Circle*. This survey was made, as a routine method of determining the print and distribution order of the magazine, among Safeway Stores in the Pacific Coast, Rocky Mountain, and some Midwest states. Store managers were instructed to give the number of Friday and Saturday customers served, the number of September 17 magazines received, the number left over, the number to be ordered of future issues.

The report prints the response for each of the 2,620 stores, by states, and in addition gives the concluding comment on the reception given the magazine by each store's customers as observed by the managers. Sounds detailed, and it is—but it's exceedingly interesting, and should be even more so for a manufacturer distributing food products through these western grocery stores—or any other stores where *Family Circle* is distributed.

According to the survey, 95.8% of the copies are in the hands of customers by Saturday night, which means fast action as the magazines are delivered to the stores on Friday morning of each week. We suspect that copies have been sent direct to food advertisers, but if you are one and did not receive a copy—or if you are not in the food field but are interested in this method of distribution and merchandising, write for a copy, addressing P. K. Leberman, *Family Circle*, 400 Madison Ave., New York.

### Time and Rockwell Kent Picture Magazine Influence

Just as every advertiser seeks consumer "acceptance," so does every publisher gauge his standing by "influence." A bit more complicated, the publisher's "influence" is a combination of consumer acceptance plus advertiser acceptance. In both cases, the dealer is "wild," equally important to the publisher and the advertiser. *Time* has currently issued a giant promotion piece, summing up the factors which have combined to build influence for that publication, with special emphasis on the dealer angle. A masterpiece of printing and arrangement, topped off with

a series of Rockwell Kent illustrations, the presentation is a sure stopper. Flaming cover in alternating bands of red and white, the design created by margin effects of increasing sized pages, and with copy throughout reduced to the limit of simplicity. Deals with the complete cycle of promotional effort which would be advocated for a manufacturer aiming for the heights—direct mail, general and trade publication advertising, network radio, with the added filip of the cinema, "The March of Time." Sales as well as advertising executives interested in a complete presentation on this subject of mutual interest should request a copy—from Robert W. Chasteney, *Time*, Inc., 135 E. 42nd St., New York. Just ask for "Influence."

### South Africa's Gold Reef a Booming Market for U.S. Goods

"What! Skyscrapers in Africa?" is the title of a new booklet picturing and giving market statistics for the South African provinces of Cape Province, Transvaal, Orange Free State and Natal. An area larger than Germany, France, Italy and Portugal together, and with a financial foundation in the greatest gold fields in the world, it is attracting ever larger volume of American exports. Some \$21,144,575 in 1932, the 1937 export volume is estimated in this booklet at more than \$100,000,000. Said to be one of our best automobile markets—with other industrial as well as consumer lines selling in an economic state of affairs marked by lack of unemployment. The booklet has been prepared by the African Associated Newspapers, Ltd., which recently established offices at 230 Park Ave., New York, for direct contact with American manufacturers and advertising interests. Requests for the booklet and other information on the market should be directed to Charles S. Playfair, at that address.

### Something to Shoot At

Every summer for five years *The Open Road for Boys* magazine has conducted a nation-wide rifle match for boys under 19 years of age. Entries through 1937 total 38,002. A booklet has just been issued describing the matches, and condensing a number of the written comments from the boys and their parents which should be interesting to manufacturers who have a stake in the boy market, and the agencies handling such accounts. Thousands of boys buying—or borrowing—22 rifles, shooting hundreds of thousands of rounds of ammunition, speak not only for the relatively small number of arms and ammunition manufacturers, but as much for all other manufacturers who feed, clothe, and otherwise equip the boys of America. A request for "Something to Shoot About" addressed to Nelson J. Peabody, The Open Road Publishing Co., 122 East 42nd St., New York, will secure a copy.

### 24 Sheet Poster Making

There's a film going the rounds of advertising clubs and similar meetings of men interested in advertising, entitled "The Making of a 24 Sheet Poster." And there's a booklet available to those who see the film, or to others, also entitled "The Making of a 24 Sheet Poster." Whether you have seen the film or not, if interested in poster advertising you will find the booklet a handy reference and re-

SALES MANAGEMENT



minder work, revisualizing the many processes involved in producing 24 sheet posters. As its title indicates, the booklet is based on the film, illustrated with stills and titles from the film. Requests to A. R. McCandlish, McCandlish Lithograph Corp., Roberts Ave. and Stokley St., Philadelphia, Pa.

## Sampling Methods and Packages Surveyed

Firms which sample, or are considering sampling, their products, should find a reprinted survey on the subject of "Sampling Procedure" of considerable value. Originally published as "Sample Packaging" in the October issue of *Modern Packaging*, the survey has been bound in a durable filing folder, and is available for its own information and also as a means of retaining similar data from other sources. Among the points brought out in this article, in addition to a general discussion of sampling methods, are: Design considerations affecting the sample package; some major users of samples (listing 17 of the largest marketing organizations which sample, including Bayer Co., J. B. Ford Co., The Mentholatum Co., Vick Chemical Co.), with details of sampling practice in each case; types and varieties of packages available to the sampler (illustrated); pros and cons of sample packages. Concludes with a number of very practical questions and answers, relating to methods of sampling, ways to determine size of sample package, and quantity. Requests to M. D. Penney, Forbes Lithograph Mfg. Co., P. O. Box 513, Boston, Mass.

## Sales Films from Hollywood

For the experienced user of industrial motion pictures, the booklet "Getting Results with Industrial Motion Pictures" will serve principally as an introduction to an organization and a personality, that of Rodney Gilliam, of Hollywood. In a 24-page, plastic-bound book, liberally illustrated, is given a complete record of the objectives of motion pictures in sales and publicity work, and the methods available to insure success. The service, which starts with a Hollywood locale (but without a Hollywood complex, it's claimed!) includes complete film distribution throughout the country, if desired. And the booklet cites clients and types of films covering a wide and top-notch variety of activities. For those who have not used films, but are interested in the possibilities of their use, the book should prove an excellent introduction to a brand new sales tool. Inquiries should be sent direct to Mr. Gilliam, The Rodney Gilliam Co., 7904 Santa Monica Boulevard, Hollywood, Cal.

## Organization News

(Continued from page 59)

wick Mitchell & Co.; Carl J. Baer, assistant division manager, Standard Oil Co. of Ohio, and Pliny P. Pipes, sales manager, Martin Brothers Electric Co.

## New York

Wendell L. Willkie, president, Commonwealth and Southern Corp., was the guest speaker for the February 15 luncheon meeting of the New York Sales Executives Club.

MARCH 1, 1938

The New York chapter of the Society for the Advancement of Management held the first of its symposia of distribution on January 25 with Guede Coghlan, vice-president of the society, as discussion group leader. The topic, "Distribution—the Laggard Field of Industry," was discussed by William H. Ingersoll, president, Ingersoll and Norvell, and Dr. John H. Frederick of the Wharton School, University of Pennsylvania.

## Philadelphia

Dr. F. M. Surface, director of sales research, Standard Oil Co. of New Jersey, was the speaker for the February meeting of the Sales Managers' Association of Philadelphia.

## Rochester

"The Training and Selection of Young Men" was the topic of a talk given recently by Robert H. Miller, general freight agent, Pennsylvania Railroad, to members of the Rochester Sales Managers Club.

## Milwaukee

The February 17 meeting of the Milwaukee Sales Managers' Association was devoted to a round table discussion on business and the presentation of two new sound films: Associated Business Films' "How to Supervise Salesmen" and Jam Handy's "Selling America," featuring Benjamin Franklin, America's greatest salesman.

## PHOTOSTATS

### COMMERCE PHOTO-PRINT CORPORATION

1 WALL STREET

233 Broadway 56 Pine St.  
80 Maiden Lane 33 W. 42nd St.  
Dlgy 4-9135-6-7-8

## Personal Service and Supplies

Cash Basis Only. Remittance Must Accompany Order.

Classified Rates: 50c a line of seven words, minimum \$3.00. No display.

### BUSINESS OPPORTUNITIES

OPERATE REPORTING AND RESEARCH SERVICE in your city. Men, women start at once valuable, profitable business like ours. Full or spare time. No equipment, capital, technical experience necessary. Details free. Business Services, 155 Sansome, San Francisco.

### CALIFORNIA REPRESENTATION

TO BUSINESS, FINANCE, MARKETING AND Industrial Services: Active California representation available through statewide organization. Twenty years' direct contact with extensive high-grade clientele has developed broad outlet and wide local experience range of immediate value to Services or Products wishing expansion to Pacific Coast Markets. Personalized supervision to give you all the advantages of a Western Branch Office. Box 579, SALES MANAGEMENT, 420 Lexington Ave., New York, N. Y.

### EXECUTIVES WANTED

SALARIED POSITIONS, \$2,500 to \$26,000. This thoroughly organized advertising service of 28 years recognized standing and reputation carries on preliminary negotiations for positions of the caliber indicated through a procedure individualized to each client's personal requirements. Several weeks are required to negotiate and each individual must finance for moderate cost of his own campaign. Retaining fee protected by a refund provision as stipulated in our agreement. Identity is covered and, if employed, present position protected. If you have actually earned over \$2,500, send only name and address for details. R. W. BIXBY, Inc., 118 Delward Bldg., Buffalo, N. Y.

### RESPONSIBLE POSITIONS

OUR STRICTLY CONFIDENTIAL AND PERSONAL method conducts negotiations for high-grade positions. Each case prepared and executed separately. Employment and identity protected. Moderate cost. If you have earned over \$2,400 yr. write, without obligations, Dept. G, Craig & Gravatt, Schaff Bldg., Philadelphia, Pa.

### MANAGEMENT CONSULTANT

#### R. H. CARRINGTON

1207 Arlington Road 1301 Clark Bldg.  
Lakewood, Cleveland Pittsburgh, Pa.  
Twenty years construction plant operation, sales, research.

#### Industrial Reorganization

### POSITIONS WANTED

SALES AND ADVERTISING EXECUTIVE, with successful record as sales, advertising and export manager, seeks position of responsibility with manufacturer. Experience largely in paper products, but knows national drug, grocery and chain store distribution. University graduate—forty-five years old. Box 580, SALES MANAGEMENT, 420 Lexington Ave., New York, N. Y.

CORRESPONDENT, SECY-STENO., LADY. 12 years' experience sales and some sales promotion work; also collection correspondent. College education. Excellent references. Territory preferred, Ill., Wisc., Mich. Box 581, SALES MANAGEMENT, 420 Lexington Ave., New York City.

EASTERN OR NEW YORK SALES MANAGER (38), grocery field, 17 years' experience, strong following, chains, jobbers, etc. Thoroughly familiar training salesmen, campaigns, operating sales office. Particularly adaptable for manufacturer desiring distribution New York Market. Proven record of results. Now employed; salary open. Box 582, SALES MANAGEMENT, 420 Lexington Ave., New York, N. Y.

SALES AND PRODUCTS DEVELOPMENT Executive, fourteen years' merchandise executive one of large Chicago mail order concerns—household and electrical lines. Built up one department from small beginning to ten million annual sales. Past four years in charge sales and development new products nationally known manufacturer. A merchandising and marketing background of outstanding success. Address Box 583, SALES MANAGEMENT, 420 Lexington Ave., New York, N. Y.

### PROFITABLE SALES

Sales and Advertising Executive wants opening in sales, advertising, purchasing and/or traffic work. Ten years charge industrial product but can handle anything. Experienced field selling, office sales, and advertising; some purchasing and traffic knowledge. Age 34, college graduate, aggressive, thoroughly capable and desirous assuming full responsibility for results. For an unusual investment in manpower, address Box 576, SALES MANAGEMENT, 420 Lexington Ave., New York, N. Y.

### PROPERTY FOR SALE

FOR SALE OR RENT—IN KANSAS CITY, Mo., modern building, 25 x 118 ft., with Frisco siding and loading dock at 1402 W. 9th. Suitable for branch factory, sales office or warehouse. Hardie Mfg. Co., Hudson, Mich.



# C O M M E N T

BY RAY BILL



**G**ETTING BACK TO NORMAL: In these complicated times, it is difficult for any business executive to distinguish clearly between the proverbial forest and trees. Obviously, confusion in the business mind goes far to foster jitters, lack of confidence, inertia and even bitterness. Colonel Leonard P. Ayres, the distinguished bank economist, has recently devised a scheme for charting the state of business confidence. However, no one has yet devised a method for charting the state of confusion in the business mind. Yet confusion is in large part responsible for lack of confidence and, therefore, a primary cause of business recession—and slowness in pick-up.

We, therefore, propose to the Congress of the United States and to the Roosevelt Administration that they earnestly seek an answer to this question: "How can confusion in the business mind be greatly reduced?"

There are several steps which could be taken:

(1) Both business and the public should be set clear by Congress and by the Administration as to which is currently more important, reform or recovery. We think the answer should be overwhelmingly in favor of recovery, because reform is a continuous rather than a precipitate need and because too much reform fits in badly with the diet of a patient who is currently quite ill.

(2) Just how far the Federal Government proposes to compete directly with private business, not only in the utility field but in other fields as well, should be definitely understood. Broad scale state socialization of business can only mean that we are marching toward a totalitarian state. If the latter is the intent of the government, both business and the public should be informed in no uncertain terms. Governmental officials, whether elected or appointed, cannot fairly expect private investors to put capital to work in utilities or elsewhere if they are led to believe their capital is likely to be wiped out through Government competition.

(3) Both big business and small business have made a strong case against the undistributed profits tax and the havoc it is wreaking from the standpoint of creating additional jobs on private payrolls. The American Federation of Labor is now on record against this unsound taxation. Why shouldn't this tax already have been eliminated and the capital gains tax revised in order to expedite recovery?

(4) Why all the ado about wages and hours legislation? As originally proposed, it has already been proved

highly fallacious, thoroughly disruptive and distinctly unpopular. As it may be ultimately proposed in revised form, will it really be of major immediate consequence? We suspect that in the interests of eliminating confusion, this is one legislative idea that might well be postponed.

(5) During the last special session of Congress and during the current session up to this time, attention has been diverted chiefly to debates on sectional problems such as lynching, to passing increased appropriations for governmental departments, and to subsidies for relief, farmers, etc. Very little has been done to expedite business recovery on which the money with which to finance all of these other things so clearly depends. Who can therefore blame the business man for being confused when he sees emphasis placed upon enlarged spending and new reforms when, business needs encouragement instead of harassment?



**W**ILL NEW JERSEY GO HAYWIRE? At the very time when many of the individual states of the Union are doing much to cooperate tangibly with business in the matter of increasing employment and expediting recovery, the State of New Jersey has a bill before its Senate which merits nothing short of vigorous condemnation. This bill proposes to make it mandatory to register business trade-marks and to pay a fee therefor.

Attempts at similar legislation have been defeated in many other states. If enacted, its ability to produce revenue will be of minor consequence and its benefits will accrue only to commercial organizations whose business it is to register trade-marks for a fee, and by pirates who will seek to beat the owners of many valuable trade-marks to the punch by registering their piratical impositions first. But the effects of piracy will not stop there, for many unscrupulous persons will undoubtedly seek to deceive and defraud the consuming public by professing to offer trade-marked merchandise which has an established reputation for quality.

Trade-marked brands have become the consumers' greatest guarantee of uniform quality and value in merchandise. In the case of many manufacturers, it has taken decades of time and many millions of dollars to establish in the public mind the enviable reputation which trade-marked merchandise enjoys. Any state law which tends to wreck such reputations is definitely injurious to the public interest.









## HAPPY HUNTING GROUNDS

**T**HE day she says the good word, he thinks he's in heaven. Before many moons, however, he learns that the Gilded Gates are nothing more than revolving doors.

His little squaw can beat a trail from one department to another quicker than a Manhattan Indian—and with less reservation. And when she starts in on the sign language—*she signs . . .* for everything from a can of corn to a bottle of hair restorer.

It takes more than a peace pipe to end *this* war dance—and ten years longer. For this little couple are in the “Age of Ac-

cumulation”—those “buyful” years, between 25 and 35, when the big chief swaps his hard-earned wampum for twice his share of traders' wares and the elusive deer always knows when little papoose needs a new pair of moccasins.

Some advertisers shoot their arrows into the air, etc. Others, who prefer to get more than fun out of it, direct their shots at more likely game—those between 25 and 35. That's why they shoot their messages into *Cosmopolitan*, the medium with a greater percentage of readers in the “Age of Accumulation” than any other large national magazine.

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NEWS and comment about the World's  
Greatest Newspaper and its market.

# From the

## Success Story in Color.....

CONSISTENT user of color advertising in the Chicago Tribune is the Olson Rug Co. of Chicago. Since November, 1934, this retailer of floor coverings has placed nineteen color advertisements in this newspaper.

Recently the Tribune made its Sunday Coloroto Graphic section available to retail advertisers. Within a few hours after the announcement, the Olson Rug Co. reserved two pages which in the near future will picture the Olson line for the first time in full coloroto to the Sunday Tribune's 1,000,000-plus audience. In doing so, the Olson Rug Co. becomes the first retailer to use this newest approach to the buying power of the Chicago market. Ten days after space had been reserved, crack Tribune color cameramen spent a morning photographing Olson rugs with the Tribune's natural color camera—the only one of its kind in the United States.

Fastest growing newspaper section in the country, the Chicago Tribune Coloroto Graphic entered the tenth month of its publication in coloroto with more than \$200,000 worth of advertising already scheduled for 1938.

### BIG UNIT NOTE

During 1937 refrigerator manufacturers and distributors spent more money for advertising in the Chicago Tribune than they did in all Chicago afternoon newspapers combined.

## 58,713 CALLERS

LAST year 58,713 persons came to visit the Chicago Tribune; some to admire the architectural beauties of Tribune Tower at close range; others to see its editorial and mechanical departments at work. They came from Chicago, from practically every state in the union and



RUGS IN NATURAL COLOR. To present floor coverings in all their rich natural coloring before readers of the Sunday Tribune Coloroto Graphic, Tribune photographers here set up the Tribune natural color camera in the Chicago plant of the Olson Rug Co. In the foreground (left to right): Paul C. Fulton, Tribune retail adv. staff; Edward Johnson, chief of Tribune color photo studio; A. W. Preussing, vice-pres. in charge of sales and advertising, Olson Rug Co. In background (left to right): George Greb and Alfred Gras, Tribune color photographers. (See Col. 1)

from many foreign countries. They came in groups and as individuals—school children with their teachers, journalism classes, engineering bodies, men and women in all walks of life.



Advertising has no greater dimension than the audience built by the editor . . . . .

- The Tribune has more circulation, daily and Sunday, than any other Chicago newspaper.
- Advertisers place more linage in the Tribune than in any other Chicago newspaper.

### Fifth in people—Third in money

IN THE course of its growth as the metropolis of a great inland empire, Chicago has developed into one of the world's leading financial centers. Fifth city of the world in population, Chicago occupies third place in

To Sell Rugs . . . A Robin Sang . . . Natural Color . . . Visitors . . . Financial Center . . . Department Store Trend . . . Refrigerator Advertising . . . Greatest Dimension . . . Sixteen Billion Full Pages . . . Circulation Note.

# TOWER

finance. It outranks Paris and Berlin and is surpassed only by New York and London.

A Page One story from the Chicago Tribune of February 7:

### A LITTLE GIRL INFORMS THE PRESS THAT ALL'S WELL WITH THE WORLD

"I saw a robin today," a little girl telephoned last night.

"Where?"

"In a tree at 5200 Kenmore avenue."

"Who are you?"

"Joan Patterson of 5243 Kenmore avenue. I'm 13."

"What was the robin doing, Joan?"

"Singing."

### BOX CAR NUMBERS DEPT.

During 1937 the Chicago Tribune printed a total of 16,105,552,608 pages.

### DEPARTMENT STORE ADVERTISING TREND

During the five-year period, 1933-1937, Chicago department stores increased their advertising expenditures in the Tribune by 21.7%.

In the same period they reduced their expenditures in the second Chicago newspaper by 9.6%.

CHICAGO TRIBUNE CIRCULATION  
DAILY in excess of 825,000  
SUNDAY in excess of 1,000,000